



Agenda

REGULAR MEETING OF
THE GOVERNING BODY
MARCH 30, 2016
CITY COUNCIL CHAMBERS

AFTERNOON SESSION – 5:00 P.M.

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. SALUTE TO THE NEW MEXICO FLAG
4. INVOCATION
5. ROLL CALL
6. APPROVAL OF AGENDA
7. APPROVAL OF CONSENT CALENDAR
8. APPROVAL OF MINUTES: Reg. City Council Meeting – March 9, 2016.
9. PRESENTATIONS
 - a) February 2016 Employee of the Month – Caryn Fiorina, Systems & Program Manager – ITT Department.
10. CONSENT CALENDAR
 - a) Request for Approval of Bid No. 16/18/B – Acequia Trail from Harrison Road to La Cieneguita for On Call Roadway and Trail Construction Services; Century Club Construction, LLC. (Leroy Pacheco)
 - 1) Request for Approval of Budget Adjustment in the Amount of \$41,500.
 - b) Request for Approval of Amendment No. 8 to Professional Services Agreement – Airport Terminal Expansion at Santa Fe Municipal Airport; Molzen-Corbin & Associates, Inc. (Mary MacDonald)
 - c) Request for Approval of Completion of 2012 Parks Bond Projects – Patrick Smith Park Irrigation System Replacement and Turf Rehabilitation Using City Labor (In-House) Force Account Crews. (Martin Gabaldon)
 - d) Request for Approval of Professional Services Agreement – Agua Fria and Cottonwood Drive Intersection Safety Improvements – Phase I (RFP #16/16/P); Souder, Miller & Associates. (James Martinez)
 - 1) Request for Approval of Budget Adjustment in the Amount of \$200,000 and Expenditure of Funds for the Project.

CITY CLERK'S OFFICE

DATE 3/25/16 TIME 10:40 AM

SERVED BY Melanie Byers

RECEIVED BY Andrew Bell



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- e) Request for Approval of Amendment No. 4 to Capital Improvement Program Between City and Contractor – FY 13/14 Wastewater Division Publicly Owned Treatment Works Repair, Replacement and Extension Contract; TLC Company, Inc. d/b/a TLC Plumbing and Utility. (Jerry Tapia)
- f) Request for Approval of Procurement Under Cooperative Price Agreement – Replacement Sewer Rodder Truck for Wastewater Management Division; Pete's Equipment Repair, Inc. (Jerry Tapia)
 - 1) Request for Approval of Budget Increase in the Amount of \$108,241.
- g) Request for Approval of Change Order No. 12 to Contract – Santa Fe Reservoir Infrastructure Improvements Project to Credit Unspent Alternate 1 Owners Contingency for Water Division; RMCI, Inc. (Robert Jorgensen)
- h) Request for Approval of Procurement Under Cooperative Price Agreement – Twenty-Four (24) Eight Cubic Yard and Fifty-Six (56) Four Cubic Yard Front Load Refuse and Recycling Containers for Environmental Services Division; Wastequip MFG. Co. LLC. (Shirlene Sitton and Lawrence Garcia)
- i) Request for Approval of Procurement Under Cooperative Price Agreements – Six (6) Automated Side-Load Recycling Collection Vehicles for Conversion of the Residential Recycling Program from 14 Gallon Bins to Roll Carts for Environmental Services Division; Rush Truck Center and Bruckner's Truck Sales. (Shirlene Sitton and Lawrence Garcia)
- j) Request for Approval of Low Income Credit Policy for Public Utilities Department. (Shannon Jones)
- k) Request for Approval of Grant Award and Agreement – 2015 Hazardous Materials Emergency Preparedness Grant Program for Fire Department; New Mexico Department of Homeland Security & Emergency Management. (David Silver)
 - 1) Request for Approval of Budget Increase in the Amount of \$21,506.
- l) Request for Approval of Exempt Procurement and Amendment No. 1 to Intrastate Agreement for CenturyLink Metro Ethernet Service at 100 Caja Del Rio and Amendment No. 2 to Building Entry Agreement at 1780 Canyon Road and 121 Airport Drive for ITT Department; Qwest Corporation d/b/a CenturyLink QC. (Renee Martinez)



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- m) Request for Approval of Procurement Under Cooperative Price Agreement – Upgrade City Computing Hardware Platform (iSeries) for Critical Information Systems; Mainline Information Systems, Inc. (Renee Martinez)
 - 1) Request for Approval of Budget Adjustment in the Amount of \$325,000.
- n) Request for Approval of Budget Increase for Santa Fe Fire Department Wildand Division Fund to Correct Omission in the Amount of \$144,815. (Greg Gallegos) (Item was Approved at February 10, 2016 Governing Body Meeting.)
- o) Request for Approval of Procurement Under Cooperative Price Agreement – 2016 Ambulance Type III Ford E350 for Fire Department; Southwest Ambulance Sales, LLC. (Jan Snyder)
- p) Request for Approval of FY 2016/17 Law Enforcement Protection Fund (LEPF) Application for Police Department; State of New Mexico Department of Finance, Local Government Division. (Chief Gallagher)
- q) CONSIDERATION OF RESOLUTION NO. 2016-____. (Mayor Gonzales, Councilor Ives and Councilor Dominguez)
A Resolution to Designate Unused Space at 500 Market Station for Entrepreneurial Activities; Directing Staff to Develop an RFP to Identify a Private Sector Partner for the Space; Directing Staff to Identify and Recommend a Revenue Source for Use as Collateral; and Directing Staff to Provide an Update and Recommendations to the Governing Body Within Ninety Days of Adoption of this Resolution. (Kate Noble and Zachary Quintero)
- r) CONSIDERATION OF RESOLUTION NO. 2016-____. (Mayor Gonzales, Councilor Ives and Councilor Trujillo)
A Resolution Directing City Staff to Plan and Execute a Fourth of July Competitive Run on July 4, 2016 to Honor Local Veterans in the Santa Fe Community. (Chris Sanchez)
- s) CONSIDERATION OF RESOLUTION NO. 2016-____. (Mayor Gonzales, Councilor Ives and Councilor Trujillo)
A Resolution Establishing a New Year's Event on the Plaza as an Annual Tradition as Part of the People to the Plaza Initiative. (Rob Carter)



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- t) **CONSIDERATION OF RESOLUTION NO. 2016-__.** (Councilor Ives, Mayor Gonzales, Councilors Maestas and Councilor Dominguez)
A Resolution Directing the City Manager to Develop a Stormwater Management Program that Updates the City's Stormwater Management Policies in Furtherance of the City's Environmental Protection and Sustainability Policies and Goals. (Melissa McDonald)
- u) **CONSIDERATION OF RESOLUTION NO. 2016-__.** (Councilor Dominguez)
A Resolution Amending the *Governing Body Procedural Rules* to Ensure a More Fair, Judicious and Efficient Public Process. (Kelley Brennan and Jesse Guillen)
- v) **Request to Publish Notice of Public Hearing for April 27, 2016:**
- 1) **Bill No. 2016-14:** An Ordinance Amending Subsection 23-6.2 SFCC 1987 to Permit the Sale and Consumption of Alcohol at Fort Marcy Ballpark for the Bike and Brew Event and Limit the Maximum Alcohol Content of Beer to Eight Percent. (Councilor Ives and Councilor Trujillo) (Zackary Quintero)
 - 2) **Bill No. 2016-15:** An Ordinance Relating to the Sale and Consumption of Alcohol on City Property; Amending Subsection 23-6.2 SFCC 1987 to Authorize the Sale and Consumption of Wine Only in the Areas Designated for Concessions and Seating at Fort Marcy Ballpark in Accordance with State and Local Laws and Regulations. (Councilor Trujillo, Councilor Lindell and Councilor Ives) (Alfred Walker and Jesse Guillen)
 - 3) **Bill No. 2016-16:** An Ordinance Authorizing an Amendment to the *2012 General Obligation (GO) Bond Parks and Trails Implementation Plan* to Reallocate \$311,354 Currently Designated for Various City Park Improvements to Other City Parks With High Maintenance Needs. (Councilor Maestas, Councilor Trujillo and Councilor Dominguez) (Robert Carter)
 - 4) **Bill No. 2016-17:** An Ordinance Amending Section 14-6.2 of the Land Use Development Code to Remove Certain Limitations on Short-Term Rental Dwelling Units; Amending the Fee Schedule for a Short-Term Rental Permit; and Requiring that Permit Holders Pay All Applicable Taxes or be Subject to Certain Penalties. (Councilor Maestas, Mayor Gonzales and Councilor Ives) (Randy Randall and Lisa Martinez)



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- w) Request for Final Approval of the Sale of a Portion of Early Street Right-of-Way Containing Approximately 3,109.5 Square Feet Adjoining the Easterly Boundary of 1092 Early Street by William M. Scott and Carolyn S. Scott. (Matthew O'Reilly)
- x) Request for Approval of Staff Recommendation to Fund Cash Deficits in Certain Funds. (Teresita Garcia)
- 11. Request to Publish Notice of Public Hearing for May 11, 2016:
Affordable Housing Draft 2016-2017 Annual Action Plan. (Margaret Ambrosino)
 - a) Professional Services Agreements – FY 2016-2017 Community Development Block Grant (CDBG) Allocation in the Amount of \$412,408.
 - b) Request for Approval of FY 2016-2017 CDBG Grant Administration in the Amount of \$100,000.
- 12. CONSIDERATION OF RESOLUTION NO. 2016-____. (Councilor Rivera, Mayor Gonzales, Councilor Trujillo, Councilor Ives and Councilor Dominguez)
A Resolution Contributing Property and Resources to New Mexico Inter-Faith Housing Community Development Corporation for Development of the Santa Fe Arts+Creativity Center Low Income Housing Tax Credit Project Pursuant to the Affordable Housing Act. (Alexandra Ladd)
- 13. CONSIDERATION OF RESOLUTION NO. 2016-____. (Councilor Dominguez)
A Resolution Increasing the Property Tax Within the Municipal Boundaries of the City of Santa Fe. (Oscar Rodriguez)
- 14. Update on Financial Framework. (Oscar Rodriguez)
 - a) CONSIDERATION OF RESOLUTION NO. 2016-____. (Councilor Maestas)
A Resolution Directing the City Manager to Use the Water Enterprise Fund to Repay and/or Refinance the Balance of the 2009 Series A and B Water Capital Outlay Bonds, and NMFA Drinking Water Loans 2 and 4.
 - b) Effect of 2009 Water Utility Debt Refinancing
 - c) Effect of Other Debt Refinancing
- 15. MATTERS FROM THE CITY MANAGER



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16. MATTERS FROM THE CITY ATTORNEY

Executive Session:

In Accordance with the New Mexico Open Meetings Act §§10-15-1(H)(7) and (8) NMSA 1978, Discussion Regarding Threatened or Pending Litigation in Which the City of Santa Fe is a Participant, Including, without Limitation, Mediation Under the Dispute Resolution Provision of the Water Resources Agreement and Other Agreements between the City of Santa Fe, Santa Fe County and Others and the BDD Diversion Structure Issue; and Discussion of the Purchase, Acquisition or Disposal of Real Property or Water Rights by the City of Santa Fe, Including, without Limitation, Consideration of the Process for Subleasing under the Agreement between the City and CenturyLink QC for the Camino de Los Montoyas Telecommunications Tower. (Kelley Brennan and Matthew O'Reilly)

17. MATTERS FROM THE CITY CLERK

18. COMMUNICATIONS FROM THE GOVERNING BODY

EVENING SESSION – 7:00 P.M.

- A. CALL TO ORDER
- B. PLEDGE OF ALLEGIANCE
- C. SALUTE TO THE NEW MEXICO FLAG
- D. INVOCATION
- E. ROLL CALL
- F. PETITIONS FROM THE FLOOR
- G. APPOINTMENTS
 - Airport Advisory Board
 - Children and Youth Commission
 - Capital Improvements Advisory Committee
 - Sister Cities Committee
 - Santa Fe River Commission
 - Immigration Committee
 - Santa Fe Metropolitan Planning Organization (SFMPO) Transportation Policy Board



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H. PUBLIC HEARINGS:

- 1) Request from Paperbag, LLC for the following: (Yolanda Y. Vigil)
 - a) Pursuant to §60-6B-10 NMSA 1978, a Request for a Waiver of the 300 Foot Location Restriction to Allow the Sale of Beer and Wine at Dr. Field Goods Kitchen, Butcher Shop & Bakery, 2860 Cerrillos Road, #B5 Which is Within 300 Feet of Santa Fe Christian Fellowship, 2860 Cerrillos Road, Suite #C5.
 - b) If the Waiver of the 300 Foot Location Restriction is Granted, a Request for a Restaurant Liquor License (Beer and Wine with On-Premise Consumption Only) to be Located at Dr. Field Goods Kitchen, Butcher Shop & Bakery, 2860 Cerrillos Road, #B5.
- 2) Request from National Dance Institute of New Mexico (NDI New Mexico) for a Waiver of the 300 Foot Location Restriction and Approval to Allow the Dispensing/Consumption of Alcoholic Beverages at the NDI Dance Barns, 1140 Alto Street, Which is Within 300 Feet of Aspen Community Magnet School, 450 La Madera and La Comunidad de los Ninos, 1121 Alto Street. The Request is for NDI's Annual Gala to be held on Saturday, May 7, 2016 from 4:00 p.m. to 11:00 p.m. (Yolanda Y. Vigil)
- 3) Request from Meow Wolf for a Waiver of the 300 Foot Location Restriction to Allow the Dispensing/Consumption of Beer and Wine at Meow Wolf, 1352 Rufina Circle, Which is Within 300 Feet of La Petite Academy, 1361 Rufina Circle. The Request is for the Following Special Events: (Yolanda Y. Vigil)
 - Nicolas Jaar – April 1, April 2 and April 3, 2016; 6:00 p.m. to 1:00 a.m.
 - Community Night – April 8 and April 9, 2016; 6:00 p.m. to 1:00 a.m.
 - B. Dolan, Frankie Cosmos and Deertick – April 11, April 12 and April 13, 2016; 6:00 p.m. to 1:00 a.m.
 - Supersuckers – April 18, 2016; 6:00 p.m. to 1:00 a.m.
- 4) CONSIDERATION OF BILL NO. 2016-10: ADOPTION OF ORDINANCE NO. 2016-____. (Councilor Lindell)
An Ordinance Amending Subsection 12-9-3.9 of the Uniform Traffic Ordinance Relating to ADA Accessible Parking Violations Requiring a Mandatory Court Appearance. (Noel Correia and Sara Smith)



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- 5) CONSIDERATION OF BILL NO. 2016-11: ADOPTION OF ORDINANCE NO. 2016-____. (Councilor Dominguez)
An Ordinance Amending Subsection 11-12.1 SFCC 1987 to Remove the Provision Permitting Payment to the City in Lieu of Taxes from Enterprise Funds; and Removing the Sunset Clause. (Oscar Rodriguez)
- 6) CONSIDERATION OF BILL NO. 2016-12: ADOPTION OF ORDINANCE NO. 2016-____. (Councilor Dominguez)
An Ordinance Adopting a Municipal Hold Harmless Gross Receipts Tax. (Oscar Rodriguez)
- 7) CONSIDERATION OF BILL NO. 2016-13: ADOPTION OF ORDINANCE NO. 2016-____. (Councilor Dominguez)
An Ordinance Adopting a Municipal Gross Receipts Tax. (Oscar Rodriguez)

I. ADJOURN

Pursuant to the Governing Body Procedural Rules, in the event any agenda items have not been addressed, the meeting should be reconvened at 7:00 p.m., the following day and shall be adjourned not later than 12:00 a.m. Agenda items, not considered prior to 11:30 p.m., shall be considered when the meeting is reconvened or tabled for a subsequent meeting.

NOTE: New Mexico law requires the following administrative procedures be followed when conducting "quasi-judicial" hearings. In a "quasi-judicial" hearing all witnesses must be sworn in, under oath, prior to testimony and will be subject to reasonable cross-examination. Witnesses have the right to have an attorney present at the hearing.

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6521.

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SANTA FE CITY COUNCIL MEETING
Wednesday, March 30, 2016

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<u>APPROVAL OF MINUTES:</u>		
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CONSIDERATION OF RESOLUTION NO. 2016-25. A RESOLUTION DIRECTING THE CITY MANAGER TO DEVELOP A STORMWATER MANAGEMENT PROGRAM THAT UPDATES THE CITY'S STORMWATER MANAGEMENT POLICIES IN FURTHERANCE OF THE CITY'S ENVIRONMENTAL PROTECTION AND SUSTAINABILITY POLICIES AND GOALS	Approved	9-10
REQUEST FOR APPROVAL OF STAFF RECOMMENDATION TO FUND CASH DEFICITS IN CERTAIN FUNDS	Approved	10-13

<u>END OF CONSENT CALENDAR DISCUSSION</u>		

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
<u>REQUEST TO PUBLISH NOTICE OF PUBLIC HEARING FOR MAY 11, 2016:</u>		
AFFORDABLE HOUSING DRAFT 2016-2017 ANNUAL ACTION PLAN	Approved	13
PROFESSIONAL SERVICES AGREEMENTS – FY 2016-2017 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ALLOCATION IN THE AMOUNT OF \$412,408	Approved	13
REQUEST FOR APPROVAL OF FY 2016-2017 CDBG GRANT ADMINISTRATION IN THE AMOUNT OF \$100,000	Approved	13
CONSIDERATION OF RESOLUTION NO. 2016- ____ . A RESOLUTION CONTRIBUTING PROPERTY AND RESOURCES TO NEW MEXICO INTER-FAITH HOUSING COMMUNITY DEVELOPMENT CORPORATION FOR DEVELOPMENT OF THE SANTA FE ARTS+CREATIVITY CENTER LOW INCOME HOUSING TAX CREDIT PROJECT PURSUANT TO THE AFFORDABLE HOUSING ACT	Postponed to 04/12/16	14
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EFFECT OF 2009 WATER UTILITY DEBT REFINANCING	Information/discussion	26
EFFECT OF OTHER DEBT REFINANCING	Information/discussion	26
MATTERS FROM THE CITY MANAGER	None	17

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
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<u>PUBLIC HEARINGS</u>		
REQUEST FROM PAPER BAG, LLC FOR THE FOLLOWING:		
PURSUANT TO §60-6B-10 NMSA 1978, A REQUEST FOR A WAIVER OF THE 300 FOOT LOCATION RESTRICTION TO ALLOW THE SALE OF BEER AND WINE AT DR. FIELD GOODS KITCHEN, BUTCHER SHOP & BAKERY, 2860 CERRILLOS ROAD, #B5 WHICH IS WITHIN 300 FEET OF SANTA FE CHRISTIAN FELLOWSHIP, 2860 CERRILLOS ROAD, SUITE #C-5	Approved w/conditlons	32-33
IF THE WAIVER OF THE 300 FOOT LOCATION RESTRICTION IS GRANTED, A REQUEST FOR A RESTAURANT LIQUOR LICENSE (BEER AND WINE WITH ON-PREMISE CONSUMPTION ONLY) TO BE LOCATED AT DR. FIELD GOODS KITCHEN, BUTCHER SHOP & BAKERY, 2860 CERRILLOS ROAD, #B5	Approved w/conditions	32-33
REQUEST FROM THE NATIONAL DANCE INSTITUTE OF NEW MEXICO (NDI NEW MEXICO), FOR A WAIVER OF THE 300 FOOT LOCATION RESTRICTION AND APPROVAL TO ALLOW THE DISPENSING/CONSUMPTION OF ALCOHOLIC BEVERAGES AT THE NDI DANCE BARNS, 1140 ALTO STREET, WHICH IS WITHIN 300 FEET OF ASPEN COMMUNITY MAGNET SCHOOL, 450 LA MADERA AND LA COMUNIDAD DE LOS NINOS, 1121 ALTO STREET. THE REQUEST IS FOR NDI'S ANNUAL GALA TO BE HELD ON SATURDAY, MAY 7, 2016 FROM 4:00 P.M. TO 11:00 P.M.	Approved w/conditlons	33-34

ITEM**ACTION****PAGE**

REQUEST FROM MEOW WOLF FOR A WAIVER OF THE 300 FOOT LOCATION RESTRICTION TO ALLOW THE DISPENSING/CONSUMPTION OF ALCOHOLIC BEVERAGES AT MEOW WOLF, 1352 RUFINA CIRCLE WHICH IS WITHIN 300 FEET OF LA PETITE ACADEMY, 1361 RUFINA CIRCLE; THE REQUEST IS FOR THE FOLLOWING SPECIAL EVENTS: NICHOLAS JAAR – APRIL 1, APRIL 2 AND APRIL 2, 2016, 6:00 P.M. TO 1:00 A.M.; COMMUNITY NIGHT – APRIL 8 AND APRIL 9, 2016, 6:00 P.M. TO 1:00 A.M.; B. DOLAN, FRANKIE COSMOS AND DEERTICK – APRIL 11, APRIL 12, AND APRIL 13, 2016, 6:00 P.M. TO 1:00 A.M., AND SUPERSUCKERS – APRIL 18, 2016, 6:00 P.M. TO 1:00 A.M.

Approved w/conditions

34-36

CONSIDERATION OF BILL NO. 2016-10: ADOPTION OF ORDINANCE NO. 2016-13. AN ORDINANCE AMENDING SUBSECTION 12-9-3.9 OF THE UNIFORM TRAFFIC ORDINANCE RELATING TO ADA ACCESSIBLE PARKING VIOLATIONS REQUIRING A MANDATORY COURT APPEARANCE

Approved

36-38

CONSIDERATION OF BILL NO. 2016-11: ADOPTION OF ORDINANCE NO. 2016 ___. AN ORDINANCE AMENDING SUBSECTION 11-12.1 SFCC 1987, TO REMOVE THE PROVISION PERMITTING PAYMENT TO THE CITY IN LIEU OF TAXES FROM ENTERPRISE FUNDS; AND REMOVING THE SUNSET CLAUSE

Approved

38-44

CONSIDERATION OF BILL NO. 2016-12: ADOPTION OF ORDINANCE NO. 2016-15. AN ORDINANCE ADOPTING A MUNICIPAL HOLD HARMLESS GROSS RECEIPTS TAX

Died for lack of action

44-54

CONSIDERATION OF RESOLUTION NO. 2016-____. A RESOLUTION INCREASING THE PROPERTY TAX WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE

Died/Failed to pass

54-58

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
<u>FROM THE AFTERNOON AGENDA</u>		
CONSIDERATION OF BILL NO. 2016-13 ADOPTION OF ORDINANCE NO. 2016-15. AN ORDINANCE ADOPTING A MUNICIPAL GROSS RECEIPTS TAX	Approved	58-63
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Capital Improvements Advisory Committee	Approved	65
Sister Cities Committee	Approved	65
Santa Fe River Commission	Approved	65
Immigration Committee	Approved	66
Santa Fe Metropolitan Planning Organization (SFMPO) Transportation Policy Board	Approved	66
MATTERS FROM THE CITY CLERK	None	66
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ADJOURN		70

**MINUTES OF THE
REGULAR MEETING OF THE
GOVERNING BODY
Santa Fe, New Mexico
March 30, 2016**

AFTERNOON SESSION

A regular meeting of the Governing Body of the City of Santa Fe, New Mexico, was called to order by Mayor Javier M. Gonzales, on Wednesday, March 30, 2016, at approximately 5:00 p.m., in the City Hall Council Chambers. Following the Pledge of Allegiance, Salute to the New Mexico flag, and the Invocation, roll call indicated the presence of a quorum, as follows:

Members Present

Mayor Javier M. Gonzales
Signe I. Lindell, Mayor Pro-Tem
Councilor Carmichael A. Dominguez
Councilor Michael Harris
Councilor Peter N. Ives
Councilor Joseph M. Maestas
Councilor Christopher M. Rivera
Councilor Renee Villarreal

Members Excused

Councilor Ronald S. Trujillo

Others Attending

Brian K. Snyder, City Manager
Kelley Brennan, City Attorney
Yolanda Y. Vigil, City Clerk
Melessia Helberg, Council Stenographer

6. APPROVAL OF AGENDA

Brian Snyder, City Manager, said he would to postpone Item #12 to the April 13, 2016, Council meeting.

Councilor Dominguez said he would like to postpone item 10(u) to the first Finance Committee meeting in May, on May 2, 2016, for a public hearing, unless he hears strong objection from the rest of the Governing Body that they want to have it at the City Council. He will invite the entire Governing Body to the Finance Committee meeting when it is heard. He said the only reason he's doing it at Finance is because it's already been through Committee and did not get pulled. He said the public hearing can be done at Finance or here at the Council.

Ms. Brennan said the only issue is that we're not on the Consent Agenda right now, but he can do that under the Consent Calendar approval.

Councilor Dominguez said, "For the record, I'll be saying this."

Councilor Dominguez would like to move Item #13 to be heard on the Evening Agenda after Item #H(7).

Mayor Gonzales asked if it will be a public hearing.

Councilor Dominguez said we can't hold a public hearing, because it isn't posted as a public hearing, but we can move it to the Evening Session at the end of the agenda.

MOTION: Councilor Ives moved, seconded by Councilor Villarreal, to approve the agenda, as amended.

VOTE: The motion was approved on a voice vote with Mayor Gonzales, and Councilors Dominguez, Harris, Ives, Lindell, Maestas, Rivera, and Villarreal voting in favor of the motion and none against.

7. APPROVAL OF CONSENT CALENDAR

Councilor Dominguez said he would say what he noted under Item #6: *Councilor Dominguez said he would like to postpone item 10(u) to the first Finance Committee meeting in May, for a public hearing, unless he hears strong objection from the rest of the Governing Body that they want to have it at the City Council. He will invite the entire Governing Body to the Finance.*

Mayor Gonzales asked when this comes to the City Council for consideration will there be a public hearing, or if it will come with public comment from Finance.

Councilor Dominguez said it doesn't have to be a public hearing. He said, "The only reason I would have it as a public hearing at Council, is because not everyone on the Council is on the Finance Committee, but it's already been through Committees once, and no one pulled it off. So we can have it at Finance. I have no objections to having it here at Council either."

Mayor Gonzales said then the postponement would be a request to remand it to Finance for a public hearing, and Councilor Dominguez said, "Essentially."

Councilor Maestas said sometimes these things have a way of eliciting a delayed reaction on the part of the public, and he has been getting a lot of emails when it came to Council. He said, "So, my question is, how are we going to process any amendments – prior to the public hearing, or after the public hearing. Because I know we're trying to be a little more organized, but I do have a few amendments I'd like to offer. It might be better to maybe do it in advance of the public hearing, at least so the Finance Committee members can have my amendments."

Councilor Dominguez said he has no objections to that. He said, "I would have hoped that those amendments might have come during the Committee hearings previously, and I recognize and appreciate maybe that some people maybe mis-read it. But I would entertain those amendments before or after, it doesn't matter."

MOTION: Councilor Dominguez moved, seconded by Councilor Villarreal, to approve the following Consent Calendar, with the changes as stated above.

DISCUSSION: Mayor Gonzales said, "I am assuming that even after the consideration by Finance, if amendments want to be proposed when it comes to the Council, they can do it as a whole correct."

Ms. Brennan said that is correct.

Mayor Gonzales said the motion is specifically related to Item 10(u).

Councilor Dominguez said no, it is a motion to approve as amended, and offered to withdraw his motion so additional items can be pulled for discussion.

WITHDRAWAL OF MOTION BY MAKER: Councilor Dominguez withdrew his motion.

Councilor Rivera asked to be added as a cosponsor of Items 10(r) and 10(s).

Councilor Maestas asked to be added as a cosponsor of Items 10(r) and 10(s) as well.

MOTION: Councilor Maestas moved, seconded by Councilor Rivera, to approve the following Consent Calendar, as amended.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

Against: None.

10. CONSENT CALENDAR

A copy of proposed amendments to Item 10(q), Resolution No. 2016-22, submitted by Councilor Harris, is incorporated herewith to these minutes as Exhibit "1."

- a) **REQUEST FOR APPROVAL OF BID NO. 16/18/B – ACEQUIA TRAIL FROM HARRISON ROAD TO LA CIENEGUITA FOR ON-CALL ROADWAY AND TRAIL CONSTRUCTION SERVICES; CENTURY CLUB CONSTRUCTION, LLC. (LEROY PACHECO)**
 - 1) **REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT IN THE AMOUNT OF \$41,500.**
- b) **REQUEST FOR APPROVAL OF AMENDMENT NO. 8 TO PROFESSIONAL SERVICES AGREEMENT – AIRPORT TERMINAL EXPANSION AT SANTA FE MUNICIPAL AIRPORT; MOLZEN-CORBIN & ASSOCIATES, INC. (MARY MacDONALD)**
- c) **REQUEST FOR APPROVAL OF COMPLETION OF 2012 PARKS BOND PROJECTS – PATRICK SMITH PARK IRRIGATION SYSTEM REPLACED AND TURF REHABILITATION USING CITY LABOR (IN-HOUSE) FORCE ACCOUNT CREWS. (MARTIN GABALDON)**
- d) **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – AGUA FRIA AND COTTONWOOD DRIVE INTERSECTION SAFETY IMPROVEMENTS – PHASE I (RFP #16/16/P); SOUDER, MILLER & ASSOCIATES. (JAMES MARTINEZ)**
 - 1) **REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT IN THE AMOUNT OF \$200,000 AND EXPENDITURE OF FUNDS FOR THE PROJECT.**
- e) **REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO CAPITAL IMPROVEMENT PROGRAM BETWEEN CITY AND CONTRACTOR – FY 13/14 WASTEWATER DIVISION PUBLICLY OWNED TREATMENT WORKS REPAIR, REPLACEMENT AND EXTENSION CONTRACT; TLC COMPANY, INC. D/B/A TLC PLUMBING AND UTILITY. (JERRY TAPIA)**
- f) **REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT – REPLACEMENT SEWER RODDER TRUCK FOR WASTEWATER MANAGEMENT DIVISION; PETE'S EQUIPMENT REPAIR, INC. (JERRY TAPIA)**
 - 1) **REQUEST FOR APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$108,241.**
- g) **REQUEST FOR APPROVAL OF CHANGE ORDER NO. 12 TO CONTRACT – SANTA FE RESERVOIR INFRASTRUCTURE IMPROVEMENTS PROJECT TO CREDIT UNSPENT ALTERNATE 1 OWNERS CONTINGENCY FOR WATER DIVISION; RMCI, INC. (ROBERT JORGENSEN)**

- h) REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT – TWENTY-FOUR (24) EIGHT CUBIC YARD AND FIFTY-SIX (56) FOUR CUBIC YARD FRONT LOAD REFUSE AND RECYCLING CONTAINERS FOR ENVIRONMENTAL SERVICES DIVISION; WASTEQUIP MFG CO., LLC. (SHIRLENE SITTON AND LAWRENCE GARCIA)
- i) REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENTS – SIX (6) AUTOMATED SIDE-LOAD RECYCLING COLLECTION VEHICLES FOR CONVERSION OF THE RESIDENTIAL RECYCLING PROGRAM FROM 14 GALLON BINS TO ROLL CARTS FOR ENVIRONMENTAL SERVICES DIVISION; RUSH TRUCK CENTER AND BRUCKNER'S TRUCK SALES. (SHIRLENE SITTON AND LAWRENCE GARCIA)
- j) REQUEST FOR APPROVAL OF LOW INCOME CREDIT POLICY FOR PUBLIC UTILITIES DEPARTMENT. (SHANNON JONES)
- k) REQUEST FOR APPROVAL OF GRANT AWARD AND AGREEMENT – 2015 HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS GRANT PROGRAM FOR FIRE DEPARTMENT; NEW MEXICO DEPARTMENT OF HOMELAND SECURITY & EMERGENCY MANAGEMENT. (DAVID SILVER)
 - 1) REQUEST FOR APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$21,506.
- l) REQUEST FOR APPROVAL OF EXEMPT IMPROVEMENT AND AMENDMENT NO. 1 TO INTRASTATE AGREEMENT FOR CENTURYLINK METRO ETHERNET SERVICE AT 100 CAJA DEL RIO AND AMENDMENT NO. 2 TO BUILDING ENTRY AGREEMENT AT 1780 CANYON ROAD AND 121 AIRPORT DRIVE FOR ITT DEPARTMENT; QWEST CORPORATION D/B/A CENTURYLINK QC. (RENEE MARTINEZ)
- m) REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT – UPGRADE CITY COMPUTING HARDWARE PLATFORM (ISERIES) FOR CRITICAL INFORMATION SYSTEMS; MAINLINE INFORMATION SYSTEMS, INC. (RENEE MARTINEZ)
- n) REQUEST FOR APPROVAL OF BUDGET INCREASE FOR SANTA FE FIRE DEPARTMENT WILDLAND DIVISION FUND TO CORRECT OMISSION IN THE AMOUNT OF \$144,815. (GREG GALLEGOS) (Item was first approved at February 10, 2016 Governing Body Meeting)
- o) REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT – 2016 AMBULANCE TYPE III FORD E350 FOR FIRE DEPARTMENT; SOUTHWEST AMBULANCE SALES, LLC. (JAN SNYDER)

- p) REQUEST FOR APPROVAL OF FY 2016/17 LAW ENFORCEMENT PROTECTION FUND (LEPF) APPLICATION FOR POLICE DEPARTMENT; STATE OF NEW MEXICO DEPARTMENT OF FINANCE, LOCAL GOVERNMENT DIVISION. (CHIEF GALLAGHER)
- q) CONSIDERATION OF RESOLUTION NO. 2016-22 (MAYOR GONZALES, COUNCILOR IVES AND COUNCILOR DOMINGUEZ). A RESOLUTION TO DESIGNATE UNUSED SPACE AT 500 MARKET STATION FOR ENTREPRENEURIAL ACTIVITIES; DIRECTING STAFF TO DEVELOP AN RFP TO IDENTIFY A PRIVATE SECTOR PARTNER FOR THE SPACE; DIRECTING STAFF TO IDENTIFY AND RECOMMEND A REVENUE SOURCE FOR USE AS COLLATERAL; AND DIRECTING STAFF TO PROVIDE AN UPDATE AND RECOMMENDATIONS TO THE GOVERNING BODY WITHIN NINETY DAYS OF ADOPTION OF THIS RESOLUTION. (KATE NOBLE AND ZACHARY QUINTERO)
- r) CONSIDERATION OF RESOLUTION NO. 2016-23 (MAYOR GONZALES, COUNCILOR IVES, AND COUNCILOR TRUJILLO, COUNCILOR RIVERA AND COUNCILOR MAESTAS. A RESOLUTION DIRECTING CITY STAFF TO PLAN AND EXECUTE A FOURTH OF JULY COMPETITIVE RUN ON JULY 4, 2016, TO HONOR LOCAL VETERANS IN THE SANTA FE COMMUNITY. (CHRIS SANCHEZ)
- s) *[Removed for discussion by Councilor Villarreal]*
- t) *[Removed for discussion by Councilor Villarreal]*
- u) CONSIDERATION OF RESOLUTION NO. 2016-___ COUNCILOR DOMINGUEZ). A RESOLUTION AMENDING THE *GOVERNING BODY PROCEDURAL RULES* TO ENSURE A MORE FAIR, JUDICIOUS AND EFFICIENT PUBLIC PROCESS. (KELLEY BRENNAN AND JESSE GUILLEN) This item was withdrawn and remanded to the Finance Committee for a public hearing at the first Finance Committee meeting in May, on May 2, 2016, before coming back to the City Council.
- v) REQUEST TO PUBLISH NOTICE OF PUBLIC HEARING FOR APRIL 27, 2016:
 - 1) BILL NO. 2016-14: AN ORDINANCE AMENDING SUBSECTION 23-6.2 SFCC 1987, TO PERMIT THE SALE AND CONSUMPTION OF ALCOHOL AT FORT MARCY BALLPARK FOR THE BIKE AND BREW EVENT AND LIMIT THE MAXIMUM ALCOHOL CONTENT OF BEER TO EIGHT PERCENT (COUNCILOR IVES AND COUNCILOR TRUJILLO). (ZACHARY QUINTERO)

- 2) BILL NO. 2016-15: AN ORDINANCE RELATING TO THE SALE AND CONSUMPTION OF ALCOHOL ON CITY PROPERTY; AMENDING SUBSECTION 23-6.2 SFCC 1987, TO AUTHORIZE THE SALE AND CONSUMPTION OF WINE ONLY IN THE AREAS DESIGNATED FOR CONCESSIONS AND SEATING AT FORT MARCY BALLPARK IN ACCORDANCE WITH STATE AND LOCAL LAWS AND REGULATIONS. (COUNCILOR TRUJILLO, COUNCILOR LINDELL AND COUNCILOR IVES). (ALFRED WALKER AND JESSE GUILLEN)
- 3) BILL NO. 2016-16: AN ORDINANCE AUTHORIZING AN AMENDMENT TO THE 2012 GENERAL OBLIGATION (GO) BOND PARKS AND TRAILS IMPLEMENTATION PLAN TO REALLOCATE \$311,354 CURRENTLY DESIGNATED FOR VARIOUS CITY PARK IMPROVEMENTS TO OTHER CITY PARKS WITH HIGH MAINTENANCE NEEDS (COUNCILOR MAESTAS, COUNCILOR TRUJILLO AND COUNCILOR DOMINGUEZ). (ROBERT CARTER)
- 4) BILL NO. 2016-17: AN ORDINANCE AMENDING SECTION 14-6.2 OF THE LAND USE DEVELOPMENT CODE TO REMOVE CERTAIN LIMITATIONS ON SHORT-TERM RENTAL DWELLING UNITS; AMENDING THE FEE SCHEDULE FOR A SHORT-TERM RENTAL PERMIT; AND REQUIRING THAT PERMIT HOLDERS PAY ALL APPLICABLE TAXES OR BE SUBJECT TO CERTAIN PENALTIES (COUNCILOR MAESTAS, MAYOR GONZALES AND COUNCILOR IVES). (RANDY RANDALL AND LISA MARTINEZ)
- w) REQUEST FOR FINAL APPROVAL OF THE SALE OF A PORTION OF EARLY STREET RIGHT-OF-WAY CONTAINING APPROXIMATELY 3,109.5 SQUARE FEET ADJOINING THE EASTERLY BOUNDARY OF 1092 EARLY STREET BY WILLIAM M. SCOTT AND CAROLYN S. SCOTT. (MATTHEW O'REILLY)
- x) *[Removed for discussion by Councilor Maestas]*

8. APPROVAL OF MINUTES: REGULAR CITY COUNCIL MEETING – MARCH 9, 2016.

MOTION: Councilor Dominguez moved, seconded by Councilor Maestas, to approve the minutes of the Regular City Council meeting of March 9, 2016, as presented.

VOTE: The motion was approved unanimously on a voice vote with Mayor Gonzales and Councilors Dominguez, Harris, Ives, Lindell, Maestas, Rivera and Villarreal, voting in favor of the motion and none against.

9. PRESENTATIONS

(a) FEBRUARY 2016 EMPLOYEE OF THE MONTH – CARYN FIORINA, SYSTEMS & PROGRAM MANAGER – ITT DEPARTMENT

Mayor Gonzales read the nomination into the record, and presented her with a certificate and a check for \$100 from the Employee Benefits Committee.

Mayor Gonzales thanked Ms. Fiorina for going above and beyond in resolving complex IT issues.

CONSENT CALENDAR DISCUSSION

10(s) CONSIDERATION OF RESOLUTION NO. 2016-24 (MAYOR GONZALES, COUNCILOR IVES, AND COUNCILOR TRUJILLO, COUNCILOR MAESTAS AND COUNCILOR RIVERA. A RESOLUTION ESTABLISHING A NEW YEAR'S EVENT ON THE PLAZA AS AN ANNUAL TRADITION AS PART OF THE PEOPLE TO THE PLAZA INITIATIVE. (ROB CARTER)

Councilor Villarreal said she attended the museum event and it was a lot of fun and we have lots of possibilities for more fun. She said there is a typographical error on the FIR, and asked Rob Carter to clarify what they discussed earlier.

Rob Carter said on page 2 of the FIR the Professional Services indicate \$50,000 for 2016-2017 and \$50,000 for 2017-18, because of additional sponsorships that we are expecting from our coordinator for the New Year's Eve event. He said, "In the next piece down it is the Revenue Sources, so the reason is that it reduces from \$50,000 to \$30,000 is that this was a wash, so it is reduced, that makes that reduction of our contribution to the Professional Services to be reduced to \$30,000 as well."

Councilor Villarreal said, "So the typo is on column 5 on the first matrix."

Mr. Carter said this is correct.

Councilor Villarreal said, "And if you go across to Professional Services, the first amount is \$50,000, and then for FY 2017-2018, it says \$50,000, but it should say \$30,000. Correct."

Mr. Carter said that is correct.

Councilor Villarreal said she just wanted to make sure we understand that although we're contributing this amount for various sources, that we're also looking at how we can find other private funding for us to continue the celebration."

Mr. Carter said that is correct.

Mayor Gonzales asked who will be helping staff with this.

Mr. Carter said they have asked Ray Sandoval to continue as the coordinator, and he will be working with our Marketing and Special Events staff as well as with Debra and Randy Randall.

MOTION: Councilor Villarreal moved, seconded by Councilor Lindell, to adopt Resolution No. 2016-24, with the changes to the FIR, and with the amendment in the packet.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

Against: None.

10(t) CONSIDERATION OF RESOLUTION NO. 2016-25 (COUNCILOR IVES, MAYOR GONZALES, COUNCILORS MAESTAS AND COUNCILOR DOMINGUEZ). A RESOLUTION DIRECTING THE CITY MANAGER TO DEVELOP A STORMWATER MANAGEMENT PROGRAM THAT UPDATES THE CITY'S STORMWATER MANAGEMENT POLICIES IN FURTHERANCE OF THE CITY'S ENVIRONMENTAL PROTECTION AND SUSTAINABILITY POLICIES AND GOALS. (MELISSA McDONALD)

Councilor Villarreal said the reason she pulled this item is because they talked about it in Finance, and there was supposed to be clarification with an FIR just to know what the costs are going to be associated with doing the Stormwater Plan, and she didn't see it in the packet. She said, "I was just curious what are our next steps for this. I don't know if anyone else from the Finance Committee remembered the details, I had asked a couple of you. But it was really to figure out if we need an FIR to show there are going to be costs associated with doing an assessment."

Councilor Ives said his recollection is that explanation which was provided by staff was that this initial step is being done internally, so it wouldn't involve contracting. But if contracting was necessary, then staff would be bringing forth measures to address that with FIRs on each of those opportunities.

Councilor Villarreal said, "That helps me. And the reason why I wish we had more clarification is these action sheets do not explain that. So the items, when we have discussions, there is no follow-up of what occurred so we know what is going to happen for this meeting. So I appreciate that and if there is more contractual work, then that comes back to us. Is that correct?"

Melissa McDonald said, "Yes. We'll be coming back with recommendations, and to the best of our ability, filling out the FIRs and identifying what future costs might exist. So yes, that's correct. And during this phase, we're not expecting any money to be spent."

MOTION: Councilor Ives moved, seconded by Councilor Harris, to adopt Resolution No. 2006-25.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

Against: None.

10(x) REQUEST FOR APPROVAL OF STAFF RECOMMENDATION TO FUND CASH DEFICITS IN CERTAIN FUNDS. (TERESITA GARCIA)

Councilor Maestas said he wasn't in Finance when this was heard, noting he sees what we're doing. He said we've been carrying forward cash balances for certain funds and enterprises and we are going to correct that, and this is part of the correction. He said if you look at pages 4-8, the reasons for the overages are overspending. He asked if this is a lack of financial management or if the existing funding is insufficient and the need is so great that we keep over-spending. He asked Mr. Rodriguez to address this.

Mr. Rodriguez said Councilor Maestas is correct in that this is a settlement of accounts that have been running negative for years. These are debits that are already in place. This is not spending money it is recognizing this is "already out the door and we should be recognizing that, no long be calling cash that's cash with these debits." He said there are different reasons for the deficit – sometimes a structural imbalance – budgeting higher than the funds available. For example, the Fire Fund is a flat revenue fund, but what was in there were personnel, and as the expense grew the Fund was in deficit, but to cut back in this fund meant cutting out people.

Mr. Rodriguez continued, saying we are trying to settle these accounts, to put in the budget the money, very explicitly, to tide these funds over, and "that way you'll get to see them completely." He said you will see a very different looking budget, with some departments with budgets much higher than in the past because there is a true reflection of costs. He said some of these got so complicated for the departments that they didn't know what to do to not be in deficit because "it was programmed to be in deficit perpetually."

Councilor Maestas asked "the total of this in this round to basically wipe off all these negative cash balances."

Mr. Rodriguez asked Ms. Garcia to answer the question.

Ms. Garcia said there is a schedule in the packet, and explained how she arrived at the figures. Please see Ms. Garcia's Memorandum of March 18, 2016, which is in the Council packet, for specifics of this presentation.

Councilor Maestas said there is no need for Ms. Garcia to review each and every instance of deficit. He said his point in pulling this item for discussion is that we're trying to change our financial management techniques and how we manage money. He just wants to make sure there are measures in place to prevent this situation in the future. He wants to make sure monitoring is in place, because it seemed that was missing.

Councilor Maestas said we have been authorizing obligations to Economic Development, and we were cited by the Auditor for having a negative cash balance at the end of the last fiscal year in the CAFR. He said he asked a particular staff member if there is money for a particular proposed expenditure in Economic Development and he was told yes. However, in looking at this, that wasn't the case. There was a negative cash balance and we've been deficit spending despite the finding from the CAFR. He said, "I don't want to belabor it, but I really think it's time that we kind of end these practices, the chronic negative cash carry-overs, stop deficit spending, and see if we can come up with more stability I guess in our budget, and better oversight and budget monitoring." He thanked staff for bringing this forward, saying he supports this action, but wanted to be sure he made these remarks.

Mr. Rodriguez said another measure we have taken to be sure this doesn't happen again, is that this will also be an annual practice, so departments won't go from one year to the next running deficits. They will be reported to you, and we will settle accounts by the end of the fiscal year. This is a new practice and over time will get these situations to zero.

Councilor Maestas asked about the Airport Fund deficit, commenting he didn't see it here. He asked if that deficit was plugged, or if it is still in deficit and we'll address it later.

Ms. Garcia there is a receivable for the Airport Fund, noting it is a reimbursement, so even if it was a negative, there was a receivable from the State and federal governments to cover these costs.

Councilor Maestas said at the bottom page 4, there is a bolded sentence that says there is a deficit of \$929,000 in the MRC, and asked if that will ride to the end of the year, or if it is a part of this action. He thought we were going to defer addressing that deficit to later in the fiscal year.

Ms. Garcia said what they want to do is it is a large amount, and they don't want to create a cash deficit in the General Fund or in the 3102, so as part of the process of budgeting, they will look at the end of the year to be sure that deficit doesn't put an additional burden on these funds. The \$929,000 was accumulated over a number of years. She said depending on how the year ends, they will make a decision as to how much to cover for these balances.

Councilor Maestas asked if we will adjust the projected end of year revenues, noting the March GRTs shows us with a projected surplus of \$3.2 million. He asked if some of that surplus will be used to start paying off these.

Mr. Rodriguez said yes, like we did last year. The Governing Body will get a BAR to adjust these, recognizing the extra revenue, and the spending which is below budget. The BAR will true-up what we think is happening before the budget starts through the end of the year, so the budget will take all of that

into account, including what we recommend for the MRC. Any deficits that occurred during this fiscal year will be filed as part of the budget plan and we will bring that to you comprehensively.

Mr. Snyder said this is a new practice we started last year during the budget process. He said last year we had funds in deficit, funds trending toward red, which we will bring during the budget and hopefully address them. He said, for example, if we don't fix the problem with the Parking Fund, we are trending in that direction. He said, "Our approach is to not only bring forward ones in deficit, present a solution which Oscar and Teresita did this evening, but also look at the funds and project them in this fiscal year and do a trend analysis. So we can see over some number of years if they are trending in that direction or do we need to do something differently. We will bring that as a package, as Oscar said, to the budget hearings."

Councilor Ives asked what policies do we have in place that will prevent over-spending in the first instance, or is it just something we plan on catching-up on by bringing them after the fact. He understands we will be looking at the trending of funds during the budget hearings. He said over the past 5 years, these funds have been positive and negative, commenting there is significant variance on a year by year basis. He said, "The broader question is, what are the constraints, what policies do we have in place that say don't spend over the budget. Or if we've allocated a share from the City, get that into the right fund so we're not looking at not having funded them when we knew we had that obligation."

Mr. Rodriguez said, to be clear, a lot these deficits were part of the bridging strategy the City had allowed to live longer, and some of these were budgeted last year with a budget clearly in view. He said there was one session during the budget hearings where he went fund by fund indicating the negative funds or near deficit. He said step number one is to not budget them to the negative and that will take care of 90% of the cases. He said they can keep departments from over spending budgets by controlling the Purchase Orders and it goes through a purchasing process and they check for budget before okaying a P.O. That P.O.'s locks up the cash, and as a result if they don't have money then the purchase won't proceed. He said, "I'm very confident with the controls we have in place today that we don't overspend the budget, so most of these happened because they were programmed to be in the deficit. In fact, that's part of the big \$15 million deficit that we've been wrestling with all this time."

Councilor Ives said, "Yes, and I don't want to quibble terms, although because we did submit a balanced budget, regardless of the fact there may have been inter-fund transfers, it would appear we were accounting for any particular negative fund balance by presumably covering it through General Fund or other allocations, the Water Fund for instance."

Mr. Rodriguez said no.

Mayor Gonzales said, "Councilor Ives, can we have this conversation in the Finance Committee or is this part of what you need tonight to approve this. This is my only point. I just want to make sure we're putting questions out...."

Councilor Ives said, "No worries. I'll be happy to hold it for Finance. It just weighs for me the question if this is what has been happening during the course of the year, what do we have in place to prevent it. I'm happy to pass and wait until Finance to answer those questions."

Mayor Gonzales said, "I think where you're headed, and what Councilor Maestas has indicated is the right direction for us is to actually commit to stopping this practice of operating deficits. And based on not only what Oscar has said, the budget we're about to consider and also the development of the new ERP Plan, there are enormous opportunities to consolidate funds and to end the practice in a more transparent way as to why these deficits are going on. And counting on you guys to deliver all of that."

MOTION: Councilor Maestas moved, seconded by Councilor Ives, to approve this request.

DISCUSSION: Councilor Maestas said, "One last comment, because it's so chronic, I just to want to make sure that we don't violate.... as I understand, the Bateman Act really prevents us from obligating the City in the absence of any appropriated funds. I want to make sure this constant kind of deficit spending doesn't get us cross-ways with the Bateman Act. That concerns me as well. It's not just the accounting and monitoring, but it's committing the City for services in the absence of appropriated funds."

Mayor Gonzales said, "I'm counting on this practice stopping, that it won't be chronic any further, based on what we've been told tonight, but I think your point is valid. If it continues, those clearly are issues we have to get addressed."

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

Against: None.

END OF CONSENT CALENDAR DISCUSSION

11. REQUEST TO PUBLISH NOTICE OF PUBLIC HEARING FOR MAY 11, 2016:

AFFORDABLE HOUSING DRAFT 2016-2017 ANNUAL ACTION PLAN. (MARGARET AMBROSINO)

- a) PROFESSIONAL SERVICES AGREEMENTS – FY 2016-2017 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ALLOCATION IN THE AMOUNT OF \$412,408.**
- b) REQUEST FOR APPROVAL OF FY 2016-2017 CDBG GRANT ADMINISTRATION IN THE AMOUNT OF \$100,000.**

MOTION: Councilor Dominguez moved, seconded by Councilor Lindell, to approve this request.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

12. CONSIDERATION OF RESOLUTION NO. 2016- ____ (COUNCILOR RIVERA, MAYOR GONZALES, COUNCILOR TRUJILLO, COUNCILOR IVES AND COUNCILOR DOMINGUEZ). A RESOLUTION CONTRIBUTING PROPERTY AND RESOURCES TO NEW MEXICO INTER-FAITH HOUSING COMMUNITY DEVELOPMENT CORPORATION FOR DEVELOPMENT OF THE SANTA FE ARTS+CREATIVITY CENTER LOW INCOME HOUSING TAX CREDIT PROJECT PURSUANT TO THE AFFORDABLE HOUSING ACT. (ALEXANDRA LADD)

This item was withdrawn from the agenda and postponed to the City Council meeting of April 12, 2016.

13. CONSIDERATION OF RESOLUTION NO. 2016- ____ (COUNCILOR DOMINGUEZ). A RESOLUTION INCREASING THE PROPERTY TAX WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE. (OSCAR RODRIGUEZ)

This item was removed to the Evening Agenda to be discussed with Items H(5), (6) and (7)

14. UPDATE ON FINANCIAL FRAMEWORK. (OSCAR RODRIGUEZ)

A copy of *Deficit-Closing Framework* prepared by Mr. Rodriguez, is incorporated herewith to these minutes as Exhibit "2."

Mayor Gonzales said he hopes this will allow us to delve into some of the questions that have been asked regarding the options concerning the various GRT enabling legislation. He wants the Councilors to use this opportunity to ask whatever questions necessary, that will allow for the knowledge base to come into play, so tonight, in the evening session, we all feel that we have been able to have our questions answered as to the implications of the various options the framework presents to us. Mayor Gonzales asked Mr. Rodriguez to update the Governing Body on the framework, following which, people can ask questions regarding the framework. He asked Councilor Maestas if it is okay to hold off on his item until we get through that discussion, and Councilor Maestas said yes.

Mayor Gonzales said, "And to the degree that Oscar, you have to bring in Items #a through #c as part of what the framework is, that would be very helpful, so don't feel like you have to stay away from it."

Oscar Rodriguez said we are as far as we can go before taking action on the framework we've been discussing over time. It has been a lot of work, it was approved in February, and then out of the blue the market changed and that framework was changed again. He said tonight you are facing a number of important decisions, and literally we have less than 24 hours to act on those things before the framework changes significantly.

Mr. Rodriguez reviewed the information in Exhibit "2," via the overhead projector, commenting on how the framework has changed.

Mr. Rodriguez said, "I want to correct some of the assumptions I've had here. We had a ruling just this afternoon by our City Attorney who pointed out that the way the Hold Harmless law works, we do not get the hold harmless payment for any new increases in GRTs. At that time I was running with an assumption with the trending I had from the New Mexico Municipal League, and everyone in the audience. I'm thinking back now, any new increases are going to have a Hold Harmless payment that goes along with it. But I'm thinking that was in Angel Fire and everybody in the audience were from municipalities of less than 10,000 in population and apparently that is the cut-off. So that was a true statement back in Angel Fire when I was in Taos, but it's not a true statement for cities above 10,000. So as a result we won't get that."

Mr. Rodriguez continued, "So what that means, and I'll make that correction here, the revenue is not \$7.8 million, it is \$7.10 million. So the new numbers based on that, would be these numbers. And 1.5 would be almost 4% of the Franchise Fee, I'm rounding to the \$100,000 just to make things simple which is right in the market for what all of the utilities pay – I'm talking cable, telephone, gas, etc. If we were going to make a correction for that assumption and take out the \$100,000, 'this' is how the new framework looks."

Mr. Rodriguez continued, "At this point, I've had a conversation with each of you, about 'what if' scenarios. What if it was delayed, what if it was combined, etc. So, what I'm prepared to do is to go through that conversation with you here for clarity's sake if you wish. So anyway, that's how it goes."

Mr. Rodriguez continued, "The big piece of this change was the refinancing of the debt in the Water Fund that will allow us to rededicate or repurpose that 1/4¢ to the General Fund. He said it is complicated and there's a number of steps we go through. The main steps are we pay off the \$34 million of the original debt from cash, refinance \$56 million and we still have \$13 million of debt with NMFA which we can pay in cash or ask them to renegotiate the loan and let us out of the pledge. He said he delivered that letter to them yesterday and that request will be considered later this month. All of that is set at this point."

Mr. Rodriguez said previously he explained to the Finance Committee that we would first lower the GRT in the Water Fund, and raise it by the same amount of the tax in the GRT. That model has changed, because we can't complete refinancing until June, which means the earliest we can pull down the GRT in the Water Fund would be in January. If you raise taxes today it will be effective before the other is lowered. He said he emailed a Memorandum explaining there would be a windfall to the Water Fund of \$3.8 million which will stay in the Water Fund. He said that increment will no longer be needed to generate funds for debt service. He said everything else stays the same. He is anxious to learn what the Governing Body wants to do so he can finish doing the budget so we can start the budget discussions for the first time in a few weeks.

The Governing Body commented and asked questions as follows:

Mr. Rodriguez said he could ask the Financial Advisor to explain what is going to happen with the refinancing of the 2009 debt.

- ◆ Mayor Gonzales said he would prefer that we stay on the framework at this time. He said with the City Attorney's ruling there has been a major modification to the framework and the transfer of funds from the Water Company for the Franchise Fee to go from \$700,000 to \$1.5 million. And Mr. Rodriguez now is saying that the new 1/4¢ GRT from Hold Harmless or the MGRT will only generate \$7 million, not \$7.8 million.

Mr. Rodriguez said that is correct.

- ◆ Mayor Gonzales asked him to explain the reason that is the case.

Mr. Rodriguez said when the State eliminated medicine and food from the GRT, there was a major miscalculation at that time by the State, which resulted in a loss to Santa Fe of 12% loss of its GRTs, which then went to \$90 million. The State corrected that by saying they will hold you harmless by giving you an annual transfer to make up the difference. He said everything was going well until 2013 when the Legislature said it could no longer sustain the Hold Harmless payments, and would sunset these payments over 15 years. He said local governments asked for an additional 1/4¢ GRT authority which was adopted, with the caveat that they wouldn't make the Hold Harmless payment, with an exception for municipalities under 10,000, so that is the reason we're not getting the 0.8% transfer, so it brings in \$7 million rather than \$7.8 million. He said any increase won't bring the additional payment from the Hold Harmless."

- ◆ Mayor Gonzales asked, "Why in this framework, are you looking to the Franchise Fee to cover that gap. That is a suggestion. It would be up to the Finance Committee..."
- ◆ Councilor Dominguez said, "At the Finance Committee, we directed staff to keep the cuts the same, and keep the fee increases the same and to try to spread the rest of it throughout the rest of the framework."

Mr. Rodriguez said that is correct.

- ◆ Councilor Dominguez said that was before we thought it was 7.8 million and not \$7 million, so they're probably just following that direction.
- ◆ Mayor Gonzales asked if the Council could increase the GRTs by 1/4 plus 1/8 to make up the difference, as opposed to asking for more funds from the Water Company.

Mr. Rodriguez said, "Yes, you have that capability tonight. You have two increments that you can increase, so you can do that."

- ◆ Mayor Gonzales said, "So tonight when we actually consider this, the Council needs to provide direction as to what increment is going to be increased, and based on that increment, then the rest of the framework will have to fall into place somehow."

Mr. Rodriguez said, "Yes. Absolutely."

- ◆ Mayor Gonzales said then whether the Finance Committee comes up with it through cuts or through more transfers from the Water Fund/Franchise fees, that would be in that purview.
- ◆ Councilor Maestas asked if he is speaking to the earning power of the Hold Harmless GRT increment, because we're considering a very different increment, which is a MGRT, and he understands that would bring in more revenues – same increment but higher revenues.

Mr. Rodriguez said in terms of revenue, they are equal.

- ◆ Mayor Gonzales asked, "Are you sure. That's been validated by Taxation and Revenue."

Ms. Brennan said, "Well because this question came up so recently, we haven't had the opportunity to get verification from Taxation and Revenue, but I think we're comfortable with our reading of the Statute."

- ◆ Mayor Gonzales asked, "When the County enacted their tax over the summer, how was that increment added."

Ms. Brennan said, "I'm not sure, but we did look at, and Marcos can speak to this, the Chart of Cities and what they've paid, and we did find, for example, the cutoff date was January 1, 2007, and we did find a City, Artesia, where they enacted an increment after that date and in fact, they did not receive the subsidy for food and medical under that portion of the GRT. So we did see what we thought was a practical demonstration of the idea."

- ◆ Mayor Gonzales asked Adam Johnson, City Budget Officer, if he knows if the County left off this increment when they increased the GRT this summer.

Mr. Johnson said, "The analysis for the Hold Harmless for the County does not include the distribution for the food and medical."

- ◆ Mayor Gonzales said then it's basically what was presented tonight, and Mr. Johnson said yes. Mayor Gonzales said so they got a lower increment also.

Mr. Johnson said, "It's the same increment, but if you want to look at it as a subsidy from the State, which they did not receive which follows from the ruling after the 2007 law. An even more clear example is the City of Espanola which has all 3/8% enacted. They don't receive any food and medical on any of those."

- ◆ Councilor Maestas said he would make a suggestion to change the top line on Exhibit " 2" to Property Tax Increases, because "I don't feel comfortable lumping tax increases, GRT and Property, together, because we're always trying to compensate for this estimated decrease in potential revenues from the GRT and we do have a property tax increase proposed. So if we're

going to do the math and talk about these, I would feel much better if we broke out Property Tax increase in that table, if we're going to use this table as we go along. That would be my only recommendation Mayor."

- ◆ Councilor Dominguez said, "You're talking about just the tax increases, and what that is supposed to be defining. So we can break that down into 3 different tax proposals – property, Hold Harmless and MGRT. I think that might be cleaner."
- ◆ Councilor Maestas said it would be cleaner. He said, "I'm okay talking about the two different GRT increments, and representing them on one line, but for our purposes and for us to see everything, I think it would be good to at least separate out or have a stand alone line for the proposed property tax increase, unless we're all prepared to rule that out, but I don't think we are. I certainly am not. It is just a suggestion, and maybe we can use the top line, Oscar. Oscar, what do you recommend here."

Mr. Rodriguez said, "When the Franchise Fee was voted, it was understood, at least it was well articulated, and as I understood it, the \$3.8 million was a combination. In fact the table you saw at that it said a combination. So the instructions I got were to come back with a proposal, how that combination would work out and we are working on that. Of course, at this point, if you say with your discussion on the property tax measure on the agenda that issue be zero, or issued at least ½ the property tax increase in, I will certainly take that into account and move forward with it."

- ◆ Councilor Maestas said, "We can use that if we want to keep the Franchise Fee fixed at 0.7%, then we can use any potential property tax increase to kind of stabilize it, instead of trying to make an exact GRT increment fit, and make up the deficit. That would be our only use, strictly to help us balance it out and we don't have to worry about what increment is going to work. Just a suggestion, but if we're all prepared to rule out a property tax, then it's a moot point, but I think we should make the top row there Property Tax."

Mr. Rodriguez said the game plan we're using is that any adjustments that have to be made will be made on the cuts. He said the cuts will be more than \$4 million. He said they are studying a property tax proposal, noting the discussion at the Finance Committee was to consider a very discrete cost or program behind any property tax increase. He said if that's still a going proposal when you get the budget, you will get that proposal. So, this program, for that property tax increase.

- ◆ Mayor Gonzales asked if the revenue line that has been presented to Finance is a flat revenue number for the upcoming fiscal year.

Mr. Rodriguez said no, he had proposed a 1.5% increase for inflation against a 2% increase in revenue, and that will be close to \$1 million.

- ◆ Mayor Gonzales said, "So I guess I'm a little uneasy about leaving cuts to operations off the table when trying to make up this difference. Can you elaborate a little bit on why that would not stay in play."
- ◆ Councilor Dominguez said, "I think we wanted to maintain some sort of commitment to the public that we were going to look at efficiencies and cuts. And we were also going to look at fee increases as well. We wanted to be as close as we could to those two components, but that was when we understood it was at \$7.8 million. So it behooves us to consider opening those up a little bit more if we need to, to make up the difference of the \$100,000."
- ◆ Mayor Gonzales said he would ask, as we go out of this, that the Finance Committee reconsider that. He knows it has been incredibly difficult to get to the \$4 million. He said the reality going beyond that is there will be an impact, but those are policy discussions I think we need to have and what that would be.
- ◆ Councilor Dominguez said as we get closer to a recommended budget and the budget discussions, some of those details will come in, and the gap will be filled-in. He thinks that can be entertained at Council. He said, after thinking about it a little bit more, that we keep that rededicated GRT at \$7 million, but not decide right now where it's coming from. We have to move some of the bills forward we have later on the agenda, but we don't necessarily have to be too specific right now.
- ◆ Mayor Gonzales said the other point Mr. Rodriguez has talked about has been around the idea of when the new GRT would be adopted – July 1 or January 1. He asked Mr. Rodriguez to go through the information on the option of the date of adoption.

Mr. Rodriguez said for this framework to stay in place, we are looking for approval of a GRT increase tonight, effective July 1, 2016. As you delay that, you have to increase one of the other components to make up that difference.

- ◆ Mayor Gonzales said under that scenario, between July 1 and December 31, the net increase at the cash register for the public would equal 1/4% more at the register than what they are paying today and on January 1 that would be decreased by 1/4%.

Mr. Rodriguez said that is correct.

- ◆ Mayor Gonzales said then the reason for that is because of the timing of the refinancing, and the refinancing will take longer than we have before June 30.

Mr. Rodriguez said the rates can be increased only on July 1 and January 1. The deadline to notify the State for an increase in July is March 31, so if it is approved tonight, he will be personally walking the signed ordinance to DFA tomorrow. The deadline for increasing the GRT effective January 1, is September 30. So if you postpone it beyond September 30, you are looking at delaying the tax increase until the following year.

- ◆ Mayor Gonzales asked, if the tax increase is delayed then the \$1.5 million number goes to what.

Mr. Rodriguez said it depends on how it is delayed. For example, if it is delayed to January 1, it would generate \$3.8 million. He said we can't make that up entirely with a Franchise Fee of \$4.7 million, so we would have to increase cuts.

- ◆ Councilor Maestas asked if we were to impose a property tax tonight, how soon would we realize revenues.

Mr. Rodriguez said we would realize revenues beginning next year, noting there are two payments, and the first payment is due in December, and the other is due after that. He said in any case, it would take a very substantial increase in the rate for that money to be significant. He said currently, the General Fund gets about \$3.5 million in property taxes, so to get \$3.5 million which is less than 6 months of a 1/4% increase, you would have to increase it by more than 100%. He said the feedback from the Finance Committee was that was on the order of the implausible and they didn't want to consider it, so "I'm not doing that."

- ◆ Councilor Maestas said we should talk about what is all of this going to get us. For example, we address the \$15 or \$18 million deficit, where does this get us from this point forward.

Mr. Rodriguez said it gets us to zero, to then begin the effect of the Hold Harmless that starts marching forward at 6%, or \$700,000 per year.

- ◆ Councilor Maestas said one of his underlying concerns is that we're only looking at this in the context of the legacy deficit, and we're even using a tool to address Hold Harmless but we're not taking action to address Hold Harmless going forward. He said we're looking at a cumulative impact of \$11 million from the gradual phase-out of the repeal of the Hold Harmless subsidy. He sees that as we could be back here in 3-4 years and he doesn't want to be having that same conversation about how to fix all the funds, and get the bail-out money needed for funds running in deficit, how to plug our infrastructure gap, how to address Hold Harmless. He said if we're going to the well and consider GRT increases, we need transparency, community involvement and context in terms of the legacy deficits, current needs and needs going forward, specifically the Hold Harmless.

- ◆ Councilor Maestas continued, saying since we're going to refinance these bonds and free-up that GRT which we've been working on for 2 years. We have that in our pocket now and the sense of urgency isn't that great. He suggested an interim approach to give us time to look at the added context to make a truly informed decision on GRT increases. He would be in favor of considering the Water Fund transfer for one more year to allow for more time to deliberate and make an informed decision about GRT increases, noting it is a regressive tax. He said this is his general sense on the framework.

- ◆ Mayor Gonzales said he needs to talk with Councilor Dominguez about moving forward a more robust presence of a budget committee that would allow for 2-3 outward budget plans to address the issue Councilor Maestas has talked about, and said, "I think we're going to find a pathway to that. But hopefully we don't always view taxes as an option to try and solve some of the Hold Harmless challenges that are going to come our way. I think we have an incredible opportunity to continue to grow our economy, particularly in the area of film and commit to a housing strategy, that allows for more people to live here that work here. That will create more economic activity in our town. And I think this idea of efficiency at City Hall should be a multi-year process, not just a one year process."
- ◆ Mayor Gonzales continued, "The way I look to the future is not so much trying to brace ourselves for more tax increases, it's catching-up and right sizing City Hall to the point where we are today, and looking forward, really committing to ways we can grow our economy and continue to generate more of a revenue base to the existing tax structure, and continue, through technology and business process alignment, to lower the cost of City Hall which should be a continuous plan that we do year over year."
- ◆ Mayor Gonzales continued, "I agree with your points that those are targets out there that we have to keep in mind, that the Hold Harmless is real, it's on our doorstep and we can't kick that can down the road. So, I just want to make sure we don't all feel the only place we're going to get to go is toward taxes or toward cuts. We are in a great position to continue grow our economy in very strong ways. And I think moving to a budget process that allows for a three year budget plan so we can constantly monitor what's happening and update it is key to that process."
- ◆ Councilor Dominguez he appreciates what Councilor Maestas has said, because lots of us have said we need to continue to look to the future, and that this gets us to zero, as Oscar has said. He said, "But there has been no appetite on this Committee by particular Council members who have not wanted to consider revenue enhancements at all. In fact, they focus more on cuts, and trying to cut our way out of this deficit. So that gives me some concern that there are members of this Governing Body who, quite frankly have not favored revenue enhancements to take care of our future needs. Because if that's the direction we're going, there's lots of room for us to grow in that aspect."
- ◆ Councilor Dominguez continued, "When it comes down to it, Councilor Maestas, as far as I'm concerned, whether it's revenue enhancements or franchise fees and maintaining the level you're talking about, it's still the taxpayers. The taxpayers are still the ones that are paying for that. And quite frankly, we have told the taxpayers or the water customers no, that we are not going to continue the Franchise Fee concept as much as we have, and work on really reducing that as much as we can. We definitely need.... before we run, we need to learn how to walk. And we're just getting done learning how to crawl, with some direction in the Finance Department, with some stability there, with some new direction from the administration. I think we have gotten past that crawling stage, and now we ought to look at walking before we run. I'm happy to have discussions about how we look toward the future, but I agree with the Mayor that there are other opportunities for us to build and growing economy and keep some tools in our back pocket for another day."

- ◆ Councilor Harris said his problem with the timing issue, is what consumer sees in the overlap during the interim of the increase in the MGRT and we still have the existing Water GRT in place for those 6 months. He thinks it creates a real problem in the business community. There is a lot of confusion about what it means, and creates extra effort in implementing the tax. He said it becomes a continuation of the same message that business people have been hearing for quite some time. He would want to see a stronger effort to see if there is any way that we can make January 1st, the termination date of the Water GRT, and the initiation date of the new MGRT, both at 1/4%. He said that represents \$3.5 million.

- ◆ Councilor Harris continued saying we also have talked about a Wastewater Franchise Fee, and asked if there is any possibility of implementing that in a timely fashion.

Mr. Rodriguez said, "My recommendation when we were looking at the update, is that there be a Franchise Fee there, but only equal to the free service we get there now as a measure of transparency. So that would be revenue neutral. Right now, the General Fund gets free service, free Wastewater Service, free Solid Waste Service. I have communicated to you that represents about \$900,000 cost to Wastewater and \$300,000 cost to Solid Waste, and that the franchise fee be equal to that, so it is really what happens there. I don't believe those utilities can sustain, at least in the current financial condition, much of a franchise fee without it affecting rates. Water is the only one in that condition right now."

- ◆ Councilor Harris said he agrees with what the Mayor summarized and what he anticipates for the future. He said there really needs to be a more robust effort for greater economic activity. He said we will be relying on the business in large part for that, and part of the reason he wants to defer the overlap of both GRTs in place for the 6 month period. He said, "Before my time, certain practices were adopted, there was a high reserve anticipated or as a goal, than required by the State of New Mexico. If we were to just go to the minimum reserve required by the State, would that generate monies that would in fact go toward our framework."

Mr. Rodriguez said that would liberate some of the cash we put into there, and we can look at that, but it won't be a whole lot, because he was hoping to get to the 10% reserve that we talked about by using existing cash in the ending balance, and not recurring revenues. He has been reporting the current balance to the Governing Body, and it looks as if it will be close to 4%. However, we programmed some of that to the capital program, and some will be coming out to pay the accumulated deficits in other funds. He said he will certainly factor that in.

- ◆ Councilor Harris thinks that's something we need to look at, and we've already acted on the adjustments we made earlier this evening.

Mr. Rodriguez said yes, it is about \$600,000 in the General Fund, and will be less than \$2 million overall.

- ◆ Councilor Harris thinks we need to look at that, and rather than build up reserves over and above what is required by the State, we need to see how we can put that money into services. He asked if Mr. Rodriguez said there already had been a commitment to certain capital projects.

Mr. Rodriguez said yes, a big part of the capital program that was approved in January contemplated taking money from the ending balance. It is one time money to pay for one-time projects. He said he will come back with a plan that tones that down, but at this point, it does not seem that we will miss that mark.

- ◆ Councilor Harris asked Mr. Rodriguez to summarize for us again what he said at Finance Committee which is if a citizen of Santa Fe looks at their property tax bill, if you put them all together, the City's portion of the property tax bill is about 9%.

Mr. Rodriguez said it is a little less than 9% of the total bill, noting that is based on his property tax bill, and presumes the ratios are the same across the City.

- ◆ Councilor Harris said he is unsure what Councilor Maestas is advocating, but we do need to have a serious consideration of a property tax increase. He thinks there needs to be an understanding on the part of the citizens, the people who pay property taxes, what that bill represents and how small a portion the City receives. He said, "Not to say we're going to do it, but if we were to capture the full measure of the mills available to us, how much money would that generate on an annual basis."

Mr. Rodriguez said, "We were looking, using rounding numbers to make the math easy. If we were to increase to the maximum, you're looking at close to a 300% increase to the City's portion, and that would bring in an additional approximately \$10 million.

- ◆ Mayor Gonzales said that is exercising all of the mills available, so the City has 3 mills left, and asked how much revenue 1 mil will generate annually for the City.

Mr. Rodriguez said it would be less than \$2 million.

- ◆ Mayor Gonzales said he thought it would be \$5 million.

- ◆ Councilor Maestas said he is kind of queasy even talking about a tax increase, and going back and using the GRTs and the same bad medicine to correct the problem. He said revenues are down when the economy is down. The GRTs are a fluctuating revenue source and it's heavily dependent on the health of the economy, and we're going back and using GRTs to create the effects of the recession, reiterating that we are kind of using the same bad medicine to correct this problem. He said diversifying our revenue enhancements will help to protect us in the future from future recessions. It seems like we're repeating the same problem. We have the opportunity here to mix the revenue enhancements and include a stable revenue stream that may be increasing.

- ◆ Councilor Maestas continued saying he is prepared to make the tough decisions, but he isn't going to advocate for \$15 million in cuts, but he is advocating for diversity in our revenue stream to slightly reduce the risk of another recession. He thinks we're just adding to the dependence on GRTs and the reason he feels we shouldn't rule that out. He said these are the two primary revenues, and we should seriously consider diversifying and including a property tax in the mix.
- ◆ Mayor Gonzales said he thinks what Councilor Maestas says has a lot of merit, noting more than 73% of the City's budget revenues come from GRTs and the reason we moved into a recession. He said less than 10% comes from property taxes. He said Councilor Maestas' statement is correct, that if you have a blend of revenues that aren't dependent on a healthy economy then you can stabilize the government in downturns. He said the challenge for us, versus other residents in New Mexico, is that our property values in the City are much higher than other locations, especially in looking that individuals living in those properties on either lower or fixed income has a very piercing effect on them. He thinks we have to take that into account in addition. He said Mr. Rodriguez has said continuously that there can be a legislative fix if we were able to raise the homestead exemption so there wouldn't be such a big hit to people with lower value homes.
- ◆ Mayor Gonzales continued, saying one thing we learned during the budget process is that more than 4,000 homes in the City are owned by people from outside of Santa Fe and New Mexico. This means they get the benefit of a lower tax rate, and we only get the benefit when they are in the City spending money, but we provide 100% of the services as if they were here 100% of the time. It's a system that is not very fair the way it set up, because the homestead exemption is so low. It's important when they're here, not only because we want them to be a part of our community, but that they're spending money. When they're gone, we are providing 100% of the services, but not getting the economic benefit of them being present. If you go to a higher property tax rate, they're paying more money even when they're not here which at least goes toward providing some of the services. These are policy decisions that are ripe for discussion by the Council, and to understand the merits all the way around.
- ◆ Councilor Dominguez said, "I would like to just offer some history as well. As a Councilor with a lot of tenure on this Governing Body, I have to say there was a time when we tried to move in that direction, the Real Estate Transfer Tax, and regardless of the details and why it failed, it failed miserably. And so, we've gone down that road before. And I think we have acknowledged and recognized that just looking at the sources of revenue, and the difference between GRT and property tax. It's as obvious as obvious gets, that there is an imbalance there. And we would like to rely on a better source of revenue for the City. But the reality also is that in the very beginning when we had these discussions, and I said it many times, there was nothing off the table. Everything was on the table, and the opportunity to provide or advocate for, or show numbers for a property tax increase was there. And I don't think anyone was jumping for joy to provide and promote that. In fact, the public response to me as one of the leads in the framework that was proposed was that, don't increase property tax, was the main response from the public. They felt much better with the GRT increase."

- ◆ Councilor Dominguez continued, "Now there's a Catch-22 to everything. Property tax increases, consumers don't much option; it is whatever the Assessor says it is and that is being paid. GRT I agree is much more regressive, but the consumer has more options to consider. Do I buy one thing versus the other. Do I really need to spend that kind of money. And I don't want into individual spending habits, but from the philosophical point of view, we've been down that road. We had the opportunity to repave that road recently, and we just haven't gone there. So I think we're well on the way to getting a balanced budget. Thank you Mayor."
 - ◆ Mayor Gonzales said he has one more point. He said a lot of the lower to middle lower wage income earners, their disposable goes directly that are non-taxable, food and medicine, and hopefully we can change that. However the disposable income doesn't necessarily exist with many individuals in our community to go to movies, or buy clothes where the GRT is in place. Part of the analysis in Las Cruces was that the individuals where the regressive side is tough on them, that many, because of their wages, don't have disposable income beyond a home, utilities and food and medicine. They may not be as impacted as much, but it's one of those areas we have to keep in mind.
 - ◆ Councilor Villarreal asked Mr. Rodriguez, "Just to clarify about the GRT, whatever form it comes in. I guess I was curious if there was a way to implement taxes so we can offset what I'm calling a wash, and maybe you could explain that. But wouldn't there be a period of time that we would actually retract that and have a sunset so we could reevaluate how GRTs can work into the future versus just assuming that is going to be the *modus operandi* for the City. I'm just curious if there is a way to limit it, so we can get past this refinancing time period and reevaluate it later."
- Mr. Rodriguez said, "Of course, you can call back any tax increase, but you don't put debt to it, etc., but to insert a sunset to it, I would have defer that to our City Attorney."
- Ms. Brennan said, "I'm not sure I can answer the question, except the standard in the Tax and Rev manual is to repeal an ordinance. And as I said, it would have to be not securing any debt among some other standards, but you can repeal."
- ◆ Councilor Villarreal asked, "Does that make more sense than having a sunset date put into the ordinance."
- Ms. Brennan said, "I'm not sure you can do a sunset date in the Ordinance."
- ◆ Councilor Villarreal said she will ask questions after the Public Hearing portion.
 - ◆ Mayor Gonzales asked if she can wait until later tonight and Councilor Villarreal said yes.

- a) **CONSIDERATION OF RESOLUTION NO. 2016-26 (COUNCILOR MAESTAS). A RESOLUTION DIRECTING THE CITY MANAGER TO USE THE WATER ENTERPRISE FUND TO REPAY AND/OR REFINANCE THE BALANCE OF THE 2009 SERIES A AND B WATER CAPITAL OUTLAY BONDS, AND NMFA DRINKING WATER LOANS 2 AND 4.**
- b) **EFFECT OF 2009 WATER UTILITY DEBT REFINANCING**
- c) **EFFECT OF OTHER DEBT REFINANCING**

Items 14(a), (b) and (c) were combined for purposes of presentation and discussion, and Item 14(a) was voted upon separately.

Councilor Maestas said when he came on the Council 2 years ago, a lot of people were alarmed about the incredibly high surplus in the Water Fund of \$100 million. He thinks that really caused them to look at the Water Fund, and discovered it was being subsidized to the degree of \$7.8 million through a GRT increment. The GRT revenue stream was tied to bond issues paying for water infrastructure associated with Buckman

Councilor Maestas continued, saying the rates were high and there was controversy about that, which begged the question of the reason the Water Fund was being subsidized by a gross receipts tax increment. He said they talked about how to free-up that GRT increment and allow the Water Fund to be a truly self sufficient enterprises as enterprises should be. He said it wasn't well received by certain Councilors, and believes this body now has made it a policy to pursue the approach to pay off the bonds and free-up the GRT increment.

Councilor Maestas said the 2006 bonds were callable in June 1, 2016, and we've already approved the policy to pay those off. However, that only frees-up a portion of the GRT increment. And the City Attorney has told us we need to make it whole to repeal it. We can't rededicate it. He said there are fees associated with paying the 2009 bonds, and weren't callable until 2019. The ultimate objective was to free-up the remainder of the 1/4% increment by paying the 2009 bonds. He said market conditions have changed, and it would be feasible for the City to use the remaining balance in the massive surplus to pay the remainder of the bonds being backed by that 1/4% GRT increment. In effect it would make it whole, make the Water Fund self-sufficient, spend down the incredibly high balance, and paying both bond issues will fully expend the surplus so there will be no more balance, and we're in a position to reduce taxes to repeal and replace the tax. It is a much more palatable framework, and this is the final piece to that.

MOTION: Councilor Maestas moved, seconded by Councilor Dominguez, to adopt Resolution No. 2016-26.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

Against: None.

15. MATTERS FROM THE CITY MANAGER

There no matters from the City Manager.

**16. MATTERS FROM THE CITY ATTORNEY.
EXECUTIVE SESSION**

IN ACCORDANCE WITH THE NEW MEXICO OPEN MEETINGS ACT §§10-15-1(H)(7) AND (8) NMSA 1978, DISCUSSION REGARDING THREATENED OR PENDING LITIGATION IN WHICH THE CITY OF SANTA FE IS A PARTICIPANT, INCLUDING, WITHOUT LIMITATION, MEDIATION UNDER THE DISPUTE RESOLUTION PROVISION OF THE WATER RESOURCES AGREEMENT AND OTHER AGREEMENTS BETWEEN THE CITY OF SANTA FE, SANTA FE COUNTY AND OTHERS, AND THE BDD DIVERSION STRUCTURE ISSUE; AND DISCUSSION OF THE PURCHASE, ACQUISITION OR DISPOSAL OF REAL PROPERTY OR WATER RIGHTS BY THE CITY OF SANTA FE, INCLUDING, WITHOUT LIMITATION, CONSIDERATION OF THE PROCESS FOR SUBLEASING UNDER THE AGREEMENT BETWEEN THE CITY AND CENTURYLINK QC FOR THE CAMINO DE LOS MONTOYAS TELECOMMUNICATIONS TOWER. (KELLEY BRENNAN AND MATTHEW O'REILLY)

MOTION: Councilor Rivera moved, seconded by Councilor Harris, that the Council go into Executive Session, in accordance with the Open Meetings Act §§10-15-1(H)(7) and (8) NMSA 1978, as recommended by the City Attorney as set out above.

VOTE: The motion was approved on the following roll call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

Against: None.

The Council went into Executive Session at 6:45 p.m.

Mayor Gonzales advised the public that the Governing Body would be back at 7:15 p.m.

MOTION TO COME OUT OF EXECUTIVE SESSION

MOTION: At 7:20 p.m., Councilor Rivera moved, seconded by Councilor Ives, that the City Council come out of Executive Session and stated that the only items which were discussed in executive session were limited to those items which were on the agenda.

VOTE: The motion was approved on the following roll call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera, Councilor Villarreal.

Against: None.

**Mayor Gonzales, with the consent of the Governing Body, moved
Items #1 and #18 to the end of the Evening Agenda**

END OF AFTERNOON SESSION AT APPROXIMATELY 7:20 P.M.

EVENING SESSION

A. CALL TO ORDER AND ROLL CALL

The Evening Session was called to order by Mayor Javier M. Gonzales, at approximately 7:20 p.m. There was the presence of a quorum as follows:

Members Present

Mayor Javier M. Gonzales
Councilor Peter N. Ives, Mayor Pro-Tem
Councilor Carmichael A. Dominguez
Councilor Michael Harris
Councilor Signe I. Lindell
Councilor Joseph M. Maestas
Councilor Christopher M. Rivera
Councilor Renee Villarreal

Members Excused

Councilor Ronald S. Trujillo

Others Attending

Brian K. Snyder, City Manager
Kelley Brennan, City Attorney
Yolanda Y. Vigil, City Clerk
Melessia Helberg, Council Stenographer

F. PETITIONS FROM THE FLOOR

Mayor Gonzales gave each person two minutes to petition the Governing Body.

David McQuarie, 2996, Calle Serrada, said he spent 3 hours last Wednesday talking with the City Engineer who is also the relevant Trails Engineer, trying to clarify the upcoming curb ramp project, because he has failed to change it from what was submitted. Almost all of the sides are not going to be done. The ADA allows that, but first you must follow the rule that anything can be done will be done to the maximum extent feasible. He reiterated he spent 3 hours with John Romero, receiving condescension because he is disabled and I can't think apparently. When the document says submitted, we say here's a list of some intersections and he didn't what it is, how wide they are or anything, he just said they're not going to be done. One thing that caught his eye is the intersection of Montezuma and Sandoval, and according to John Romero, it is infeasible. He said, "Therefore they're not going to do that project until 2019-2020. He said that building was build in 2011 and this should have been done then by ADA's regulations. Now they have to wait. He said last year he had a court hearing in probate and he couldn't attend because the place is inaccessible on City property, but that's okay, people can wait. Is this right. The City on this project has a federal ADA complaint that is to be answered by the City Manager. It only

filed in April 2015. What's the holdup. ADA was not that hard. I can't understand it. Do you believe people can't understand, you don't have rational thinking. I just want to bring up the point, please direct the City Manager to answer the ADA complaint and tell your City Traffic Engineer that I'm not a City employee. He cannot fire me, despite what he wants. And the last point I want to bring is, we have most instances over and over where the tourists are hit by vehicles, and a lot of times they're not really injured. So please report."

Mayor Gonzales asked members of Chainbreakers to hold their remarks until we consider adoption of the Ordinances to raise revenues for the budget. He said there is a sign-in sheet for that particular public hearing tonight, so this is just for matters from the public that don't go toward anything on the City Council agenda tonight.

**VERBATIM TRANSCRIPT
OF THE REQUESTED PORTION OF PETITIONS FROM THE FLOOR, ITEM #F
CITY COUNCIL MEETING
March 30, 2016**

Mayor Gonzales gave each person 2 minutes to speak

STEFANIE BENINATO: Stefanie Beninato, P.O. Box 1601, Santa Fe, New Mexico. I'm want to thank City Council for taking the changes to their procedural rules off the Consent Calendar tonight and sending them back to the Finance Committee for public hearing, and also public hearing at City Council. I think there are some of those, such as having Resolutions or other matters in full form, leaving changes and amendments to ordinances in motions that are actually good, but there are many others I think are really not seriously.... not to have public participation or council participation in what has been very limiting to democracy, limiting to experiences, rather than promoting. So I'm happy there will be a public hearing. We've had this rumor today at Salvador Perez Recreation facility that the City Council is going to close.... only have it open from 9 to 5, which will be pretty useless, because it means these people would not be able to use it since one of the busiest times is between 6 in the morning and 9 in the morning, and actually, probably to almost 10. So, I would urge you to think about it, not in terms of it as a business, but in terms of serving people, and if we want to be a healthy citizenry then I think we need to keep the hours as full as possible. And again, early morning hours and after work hours I think are *[inaudible]* hours. So if that really is a budget consideration, I would ask that you scrap the 9 to 5 idea and do something different. As you know from the listening session, I have lots of ideas of how you could be more efficient in running the facilities, and I've thought of a couple more. Thank you very much.

I certify that this is a true and accurate transcript of the requested portion of Petitions from the Floor, Item #F, City Council Meeting, March 30, 2016.

Melessia Helberg, Council Stenographer

Arthur Firstenberg, P.O. Box 6216, Santa Fe 87502, said he is here about the DeFouri Street Bridge Project. He said the City is going to put it out for bids. He said, "I wanted to remind the Council that the design of that bridge is still under appeal in District Court. It's Case #D-101-CV-2014-842. The District Court case was fully briefed and was argued on September 9, 2015, and we are waiting for a decision. If the City goes ahead and builds the bridge before the design of the bridge is determined by the Judge, the City would be risking over \$1 million of taxpayer money. I suggest it would be prudent to wait until the Judge hands down his decision before putting this project out to bid. Thank you."

Jennifer Elliott, 1211 Calle Luna, said, "I was told by Tomas that it would be okay to say a short word or two about..."

Mayor Gonzales asked if she is speaking to the issue of the budget.

Ms. Elliott said, "I'm just interested that when we consider our budget consideration that we don't get rid of services like bus transportation and...."

Mayor Gonzales said, "Will you hold onto this, because I promise you, we're about to get to these hearings very quickly, so we'll get to the budget issues. So that way, everyone can weigh in on the same issue. Is that okay. Thank you."

G. APPOINTMENTS

Airport Advisory Board
Children and Youth Commission
Capital Improvements Advisory Committee
Sister Cities Committee -
Santa Fe River Commission
Immigration Committee -
Santa Fe Metropolitan Planning Organization (SFMPO) Transportation Policy Board

Mayor Gonzales, with the consent of the Governing Body, moved this item to the end of the evening agenda.

H. PUBLIC HEARINGS

1) REQUEST FROM PAPER BAG, LLC FOR THE FOLLOWING:

- a) PURSUANT TO §60-6B-10 NMSA 1978, A REQUEST FOR A WAIVER OF THE 300 FOOT LOCATION RESTRICTION TO ALLOW THE SALE OF BEER AND WINE AT DR. FIELD GOODS KITCHEN, BUTCHER SHOP & BAKERY, 2860 CERRILLOS ROAD, #B5 WHICH IS WITHIN 300 FEET OF SANTA FE CHRISTIAN FELLOWSHIP, 2860 CERRILLOS ROAD, SUITE #C-5.
- a) IF THE WAIVER OF THE 300 FOOT LOCATION RESTRICTION IS GRANTED, A REQUEST FOR A RESTAURANT LIQUOR LICENSE (BEER AND WINE WITH ON-PREMISE CONSUMPTION ONLY) TO BE LOCATED AT DR. FIELD GOODS KITCHEN, BUTCHER SHOP & BAKERY, 2860 CERRILLOS ROAD, #B5.

(YOLANDA Y. VIGIL)

A Memorandum dated March 23, 2016, with attachments, to Mayor Gonzales & City Council, from Yolanda Vigil, City Clerk, in this matter, is incorporated herewith to these minutes by reference. Please see this Memo and attachments for specifics of this presentation. A letter is included in the packet from Pastor John S. Maiolo, Santa Fe Christian Fellowship Church, stating they have no objections to this request. Staff recommends that this business is required to comply with all of the City's Ordinances as a condition of doing business in the City.

Public Hearing

There was no one speaking to this request.

The Public Hearing was closed

MOTION: Councilor Lindell moved, seconded by Councilor Dominguez, to grant the waiver of the 300 foot location restriction and allow the dispensing/sale of beer and wine at Dr. Field Goods Kitchen, Butcher Shop & Bakery, 2860 Cerrillos Road, #B5, with all conditions of approval as recommended by staff.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

Against: None.

MOTION: Councilor Lindell moved, seconded by Councilor Maestas, to approve the request from Paperbag, LLC, for a Restaurant Liquor License (beer and wine with on premise consumption only), to be located at Dr. Field Goods Kitchen, Butcher Shop & Bakery, 2860 Cerrillos Road #B5, with all conditions of approval as recommended by staff.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera, and Councilor Villarreal.

Against: None.

- 2) **REQUEST FROM THE NATIONAL DANCE INSTITUTE OF NEW MEXICO (NDI NEW MEXICO), FOR A WAIVER OF THE 300 FOOT LOCATION RESTRICTION AND APPROVAL TO ALLOW THE DISPENSING/CONSUMPTION OF ALCOHOLIC BEVERAGES AT THE NDI DANCE BARNS, 1140 ALTO STREET, WHICH IS WITHIN 300 FEET OF ASPEN COMMUNITY MAGNET SCHOOL, 450 LA MADERA AND LA COMUNIDAD DE LOS NINOS, 1121 ALTO STREET. THE REQUEST IS FOR NDI'S ANNUAL GALA TO BE HELD ON SATURDAY, MAY 7, 2016 FROM 4:00 P.M. TO 11:00 P.M. (YOLANDA Y. VIGIL)**

Disclosure: Councilor Ives said, "I would simply recuse myself from consideration in this matter, as my wife does legal work for NDI."

A Memorandum dated March 23, 2016, with attachments, to Mayor Gonzales & City Council, from Yolanda Vigil, City Clerk, in this matter, is incorporated herewith to these minutes by reference. Please see this Memo and attachments for specifics of this presentation. A letter is included in the packet from Principle David Nez, Aspen Community Magnet School and Carl Gruenler, Santa Fe Public Schools, stating they will refrain from issuing a decision regarding opposition or non-opposition to this request. Also attached is a letter of no opposition from Jo Lynne Catanach, PMS Children's Services (La Comunidad de Los Ninos).

Public Hearing

Felicia Ponca, Event Coordinator, 4110 W. Alameda, Santa Fe 87507, said she is here as a representative to ask for a special request for one of the most well deserving non-profits.

The Public Hearing was closed

MOTION: Councilor Dominguez moved, seconded by Councilor Lindell, to grant the waiver of the 300 foot location restriction and allow the dispensing/sale of alcoholic beverages at the NDI Dance Barns 1140 Alto Street, for NDI's Annual Gala to be held on Saturday, May 7, 2016, from 4:00 p.m. to 11:00 p.m., with all conditions of approval as recommended by staff.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

Against: None.

Recused: Councilor Ives.

- 3) **REQUEST FROM MEOW WOLF FOR A WAIVER OF THE 300 FOOT LOCATION RESTRICTION TO ALLOW THE DISPENSING/CONSUMPTION OF ALCOHOLIC BEVERAGES AT MEOW WOLF, 1352 RUFINA CIRCLE WHICH IS WITHIN 300 FEET OF LA PETITE ACADEMY, 1361 RUFINA CIRCLE; THE REQUEST IS FOR THE FOLLOWING SPECIAL EVENTS: NICHOLAS JAAR – APRIL 1, APRIL 2 AND APRIL 2, 2016, 6:00 P.M. TO 1:00 A.M.; COMMUNITY NIGHT – APRIL 8 AND APRIL 9, 2016, 6:00 P.M. TO 1:00 A.M.; B. DOLAN, FRANKIE COSMOS AND DEERTICK – APRIL 11, APRIL 12, AND APRIL 13, 2016, 6:00 P.M. TO 1:00 A.M., AND SUPERSUCKERS – APRIL 18, 2016, 6:00 P.M. TO 1:00 A.M. (YOLANDA Y. VIGIL)**

A Memorandum dated March 23, 2016, with attachments, to Mayor Gonzales & City Council, from Yolanda Vigil, City Clerk, in this matter, is incorporated herewith to these minutes by reference. Please see this Memo and attachments for specifics of this presentation. A letter is included in the packet from Nicole Trujillo, Executive Director, La Petite Academy, stating they have no objections to this request and indicating they would like to grant a permanent waiver to Meow Wolf indefinitely to serve alcohol. Ms. Trujillo also stated, *"La Petite Academy is to be free of all liability involving any activity that takes place on Meow Wolf's property, and we ask that Meow Wolf perform regular outdoor maintenance on both their property and any other surrounding property (including La Petite's) that may be affected by crowds or alcohol."*

Public Hearing

Stefanie Beninato said she appreciates that Meow Wolf has requested several waivers at one time, so as to not take up a lot of time. She said, "But again, I think the question again is, I recommend that they get a liquor license that will allow them to operate without waivers on a constant basis."

The Public Hearing was closed

MOTION: Councilor Lindell moved, seconded by Councilor Dominguez, to grant the waiver of the 300 foot location restriction and allow the dispensing/consumption of alcoholic beverages at Meow Wolf for the following Special Events:

- G Nicholas Jaar – April 1, April 2 and April 3, 2016, 6:00 p.m. to 1:00 a.m.;
- G Community Night – April 8 and April 9, 2016, 6:00 p.m. to 1:00 a.m.;
- G B. Dolan, Frankie Cosmos and Deertick – April 11, April 12 and April 13, 2016, 6:00 p.m. to 1:00 a.m.; and
- G Supersuckers – April 18, 2016, 6:00 p.m. to 1:00 a.m.

with all conditions of approval as recommended by staff.

DISCUSSION: Councilor Dominguez said at the last meeting, Mr. Kadlubek testified he was in the process of getting a liquor license, and asked him for an update on that effort.

Vincent Kadlubek said they are 60 days out at maximum. He said things are moving forward smoothly, they have the lease in hand and ready to sign and Mary Kate at the State is aware of all of this. He said we think we're two months out to get a permanent brewery permanent.

Councilor Dominguez said, "I want to just try to anticipate after April 18, 2016, there will be more events that will have spirits or liquor."

Mr. Kadlubek said, "Yes. It looks like April is a little bit heavier than May. Right now in May, we have 2-3 events currently booked. I would anticipate another 10-15 events between now and a permanent license."

Councilor Dominguez said, "You don't have to tell me the number. We won't have a license before May though."

Mr. Kadlubek said, "Not before May."

Councilor Dominguez said, "So you will be coming for other waivers."

Mr. Kadlubek said, "Yes, we'll be coming for more waivers at the next Council Meeting."

Councilor Dominguez said, "If you can, just anticipate providing us with another update on your liquor license at that time."

Mr. Kadlubek said, "Sure, absolutely. Thank you Councilor."

Councilor Ives noted there is a letter in the packet from Petite Academy, indicating no opposition, but asking that its property to the extent it is impacted, that crowds and alcohol be simply maintained. He said, "I assumed you've talked to them, and that is all pretty much in place."

Mr. Kadlubek said, "Yes, that's all in place. We had very large crowds for our opening weekend, and second weekend. Many people are parking in their parking lot which they've approved, and then we have an outdoor landscape crew that we also pay to clean up their parking lot. So part of their weekly rounds is looking at the lot and seeing if there is any added impact to their property."

Mayor Ives said, "Thank you for being a good neighbor."

Mr. Kadlubek said, "Sure. Definitely they've been great with us, throughout all of our construction, so yes."

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

Against: None.

- 4) **CONSIDERATION OF BILL NO. 2016-10: ADOPTION OF ORDINANCE NO. 2016-13 (COUNCILOR LINDELL). AN ORDINANCE AMENDING SUBSECTION 12-9-3.9 OF THE UNIFORM TRAFFIC ORDINANCE RELATING TO ADA ACCESSIBLE PARKING VIOLATIONS REQUIRING A MANDATORY COURT APPEARANCE. (NOEL CORREIA AND SARA SMITH)**

Councilor Lindell said this is cleanup legislation, brought forward originally by Councilor Dimas. She said this eliminates the mandatory court appearance.

Public Hearing

David McQuarie, 2997, Calle Cerrada, said here to speak to this item on ADA accessible parking. He said he thinks it would be common courtesy for any Committee that would be impacted by a decision in this illustrious group, to please consult the Mayor's Committee on Disability, or at least let them know what is going on. He said he has been a member of Mayor's Committee on Disability for 10 years and we have never been consulted by this illustrious body. The Parking Division consulted them on the layout of signs, and one of the items was mandatory parking, which they thought would help. He said, at least we were consulted. I have heard of other parks and recreation and other committees that are not consulted on items that concern them. He asked why you don't make a standard procedure that all Committees that might be impacted by a decision be consulted prior to its presentation before this body.

Sunshine Muse, 1896 Lorca Drive, said she is in support of an Ordinance that would mandate that people appear in Court if they park in an illegal and handicapped space. She said, "It makes sense to me."

The Public Hearing was closed

MOTION: Councilor Lindell moved, seconded by Councilor Ives, to adopt Ordinance No. 2016-13

DISCUSSION: Councilor Villarreal said, "I think, just for clarification purposes, even though the title makes it sound like there is a mandatory court appearance, it actually takes away a mandatory appearance and it's just the fee. Is that correct. Just so the public knows it's actually taking away a court appearance versus implementing it. And I just wanted to ask Councilor Lindell, I know it wasn't your Ordinance initially, I was just curious if there was discussion on the proper procedures of what we do for committees that may be affected by certain legislation we look at."

Councilor Lindell said, "That wasn't part of this bill."

Councilor Villarreal asked, "I guess, because I'm new, do we make that a common practice, for the Council to look at how Committees that we have, the 60-80, that we ever ask their opinions about something that we're looking at, or at least let them know what's coming up the pike so they know if they can weigh-in or not. And that's not just for Signe Lindell, but it's for anybody on the Council."

Councilor Lindell said, "This did go through Finance and it did go through Public Works."

Councilor Villarreal asked, "Any other comments."

Ms. Brennan said, "I believe that legislative works with the sponsor to decide on the committees that will hear something. But, generally speaking, if there is a committee that has an interest in a matter, we do send it by them, but they are advisory committees."

Councilor Villarreal asked, "And you're talking about standing committees, or are you talking about the many community committees that we have."

Ms. Brennan said, "The many community committees."

Councilor Rivera asked the reason this wasn't sent to the Mayor's Committee on Disability.

Jesse Guillen said, "This was an oversight from the previous legislation regarding the UTC, and so this is just fixing this, and our oversight for not sending it to the Mayor's Committee on Disability."

Councilor Rivera said, "There is probably some area in there between the original sponsor and coming to you. That's all I had Mayor."

VOTE: The motion was approved on the following Roll Call vote:

For: Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell and Councilor Maestas.

Against: Councilor Rivera and Mayor Gonzales.

Abstain: Councilor Villarreal.

Explaining his vote: Councilor Rivera said, "I think this should have gone back to the Mayor's Committee on Disability, so I'm going to vote no."

Explaining her vote: Councilor Villarreal said, "Just because of the clarification on this, I'm going to abstain from voting."

Explaining his vote: Mayor Gonzales said, "I'm going to vote no with an agreement toward Councilor Rivera that it probably should have gone through the Mayor's Committee on Disability."

- 5) **CONSIDERATION OF BILL NO. 2016-11: ADOPTION OF ORDINANCE NO. 2016-14 (COUNCILOR DOMINGUEZ). AN ORDINANCE AMENDING SUBSECTION 11-12.1 SFCC 1987, TO REMOVE THE PROVISION PERMITTING PAYMENT TO THE CITY IN LIEU OF TAXES FROM ENTERPRISE FUNDS; AND REMOVING THE SUNSET CLAUSE. (OSCAR RODRIGUEZ)**

Items H(5), (6) and (7), and Item 13 from Afternoon Agenda, were combined for purposes of presentation, discussion and public hearing, but were voted upon separately.

A copy of *Equitable Development and Risk of Displacement: Profiles of Four Santa Fe Neighborhoods, Executive Summary*, prepared by Human Impact Partners, dated August 2015, entered for the record by Tomas Rivera, is incorporated herewith to these minutes as Exhibit "3."

A copy of the statement for the record by Dionna Tyndall, entered for the record by Dionna Tyndall, is incorporated herewith to these minutes as Exhibit "4."

Mayor Gonzales said, "Items H(5), (6) and & (7) [and Item #13 from the Afternoon Agenda], relate to addressing the revenue side of the upcoming budget process. So with the Council's okay, I would like to ask the public to participate in a public hearing up front to weigh-in on your views on the budget, or on any of these issues of which you have disagreement on, so we don't have to keep all of you waiting through the whole night if there is a particular item that is on later on the agenda. Is that all right Councilor Dominguez. All of these are revenue enhancement legislation. Does the Council have any objection to that."

There were no objections by members of the Governing Body.

Public Hearing

Mayor Gonzales gave each person 2 minutes to speak to the issue, noting there is a sign-in sheet and people will speak in that order, but it is not necessary to sign-in to speak and those wishing to speak can do so after those signing up have spoken to the issue. He said, 'If your conversations go to the issue of equity, I think it would be helpful for us for you to point out areas that the City needs to improve its investment to assure equitable delivery of service and participation. If someone says something you were going to say already, in the interest of time and everyone else that is here, feel free to say you support the individual's statements. Don't feel you have to take the full 2 minutes unless you have something new to add. This is just in the interest of everyone so they can go ahead and get their points through to the Council as expeditiously as possible but also allow for you to make your statements.'

Emily Stern, 1313 Declovina Street, said she is a teacher at the Santa Fe Community College, IRIA and Santa Fe University of Art and Design. She sees a variety of students dealing with a variety of situations, some are dramatically different from others. One of her roles is to coordinate something called the Center for Diversity at the Community College, so she is engaged in conversations about equity on a daily basis from a research and data perspective, and from being a teacher in a classroom and hearing students stories and experiences. She is the Vice President for Diversity for the Northern Mexico Human Resources Association. She said she participates in conversations with an advisory council composed of students, faculty and local partners. In the conversations, they discuss that there may be barriers for students to achieve what they want to. Sometimes they're trying to achieve just getting to school, and at other times to achieve a higher level of education to stay in Santa Fe and contribute to the local economy, and participate in that. And the barriers kids talk about usually are transportation for students who work and attend school and the schedule is tricky, students who are hungry a lot and find it hard to learn. The conversations she has at the Santa Fe University are dramatically different than the conversations he has at the Community College.

Rebecca Whitaker, 4435 Airport Road, said she works for Youth Shelters and Family Services on Airport Road, serving the homeless and runaways. She 100% of their clients have no cars and rely on buses, bikes and their feet. There are residents with babies and small children, residents with physical disabilities and a lot of foot traffic, emails and phone calls from homeless youth. A lot of them are pregnant with no housing, in recovery and in need of a second chance. There are no programs for half-way houses, or transitional housing for pregnant or parenting young people, or youth with mental health or behavioral health issues, or people out of juvenile detention or drug recovery. They are in need of a lot of housing for these populations. She said two years ago Councilor Dominguez promised at their facility that we would have improved bus systems for young people. She now hears they are at risk of having no mass transit at all. She is disappointed in the direction the City is moving. Now, more than ever, we seem to be catering to frivolousness, wealthy and privileged people. She said there is really no presence in District 3 on the south side. She is saying this as a social worker that works on the south side of town.

Mayor Gonzales said for the record he wants to make sure the public knows that there is no part of the budget that does away with the Transit system.

Andrew Salazar, 4435 Airport Road, said he resides at Youth Shelters on Airport Road. He said he is also a youth advocate for some foster kids. He said it is hard to get transportation when you live on the south side. He had heard there would be bus curtailing on the routes, and pertaining to that, like Rebecca said, a lot of the young people don't have cars, because we don't have really good opportunities to get to place and finding work is harder.

Tomas Rivera, 109 Quapaw Street, Director, Chainbreaker Collective, welcomed the new Councilors. He said Chainbreaker spend a lot of time working on environmental and economic justice issues, with more than 500 members in Santa Fe. He said specific proposals are happened, and they are heartened to hear you to being to speak about looking for revenue streams. He said this is the way we need to start having conversations, and appreciate you having that conversation, commenting we know it's not the most politically convenient thing to do. He said they want to make sure that all budget conversations proceed, if and when cuts to services happen, taking into consideration equity and the needs of people who access these services which includes Transit. He said they are glad there is not specific transit cuts right now. He said people rely on transit to get to school, to work, to get around town. He said they have done a lot of work on a report. Mr. Rivera distributed copies of the Executive Summary to the Governing Body [Exhibit "3"], noting the full report is on the Chainbreaker Collective website. He said there are equity problems in the City which were going on long before any of you were on the Governing Body. They encourage you to look at that report and to take equity into consideration as you work on this budget.

Mayor Gonzales said, "I usually don't interrupt the public comment, but what I said was that the elimination of the Transportation budget is not on the table. But I do think you guys need to stay involved actively, as the Finance Committee and the Council considers how to find some of the cuts and where, and your advocacy is going to be critical from that standpoint to make sure that service levels are delivered appropriately where they need to be. I just want to make sure the public knows that that there may be cuts in transportation, but you have to look at where those are happening."

Mr. Rivera thanked him for the clarification, saying they are happy to work with the Governing Body, and will be happy to meet with the members individually if they would like.

Tommy Toledo, 3226 Rufina Street, Apt. 20, read a statement into the record as follows: "I believe that inequity is a growing problem in Santa Fe. I am here to ask you to consider equality in all decisions, because, for one, I have just moved here about 1 ½ months ago from Albuquerque. And I feel it's been a very hard process for me with the transition of finding work and using the bus routes, because in Albuquerque there are far more bus routes. But I do like stepping up, and community leaders like myself bike and use bus passes. I believe if there were more bus routes it would be better. I myself am one that struggled *[inaudible]* with drug abuse all that. I recently changed that in my whole life. Now that I am working it has been hard for me to find a ride to go check in on a weekly basis to the Judge. I find myself riding a bicycle. Going up Cerrillos they're doing a lot of road work, and there are bike lanes and they have barriers up and it's kind of hard to drive in that at night. It think it would be more of these routes out that way. Also, I just wanted to thank you guys for considering all our struggles."

Sonya Marie Martinez, 1515 5th Street, Chainbreakers Organizer. She thanked the Governing Body for their time. She wanted to emphasize Thomas' remarks, saying they want to be advocates because they believe that every person that needs bus transportation should be able to do so. She rode the bus while going to College. She said there are efforts we can take collectively to make sure the mothers, grandmothers that need the bus because it is their own form of transportation should have the opportunity for more bus routes, as well as the homeless. We need to be aware and advocates collectively. She said Chainbreakers works hard and she believes in everything they do and she believes in the members. She hopes the Governing Body takes all this into consideration. She said they advocate with all of their power and great passion to help the most vulnerable people and be aware of those needs. She said she hopes they recognize we are here to work together, and we can accomplish a lot and talking about any cuts as to where we go and how we make cuts that don't hurt the most needy in our City.

Dionna Tyndall, 1604 Berry Street, said she is a member of Chainbreakers, and read a statement into the record asking the City Council to address the elephant in the room and take people like her into account when deciding what to do with the budget. She said, "We are the elephant in the room. And we are too big to ignore." Please see Exhibit "4," for the complete text of Ms. Tyndall's statement.

Nohemy Boroquez-Flores, 2410 Sycamore Loop, thanked the Governing Body for bringing for equity and actually looking for new funds instead of only thinking about cuts. She said if any cuts are considered she wants you to consider how many people will their jobs and how many people depend on the services that serve "us, the elephants in the room." She asked why do we always have to fight for something we deserve as a community. We also pay taxes and are in this community. She said we need to think about Santa Feans and not only about tourists, because we are here, we're not going to leave and we need everybody's support. We don't want to always be dependent on limited services. She said, "I want you to address the elephant in the room. Don't forget about us, we're still here. Consider us also, because we also use parks, the trails, and consider us in every decision you make because I feel we have been forgotten in a lot of the decisions that have been made."

Jennifer Elliott, 1211 Calle Luna, said the elephant in the room are a lot of people who are native to Santa Fe who are some of the poorest, if you look at the poorest regions in the City and where the people who have been staying here are. She said she is glad you're saying that we don't have to worry for the moment about transportation. We heard you say it could be issue in the future, and why they are being preemptive here in making sure they don't lose essential transportation. The areas in the City where the poor and middle class and require transportation systems to get to work or to school, and if they lose those routes it could be a really bad thing for those people. She thinks equity is an important thing to consider in all budgetary system, because every person has a productive value, and ignoring the value of the needy and left out undercuts the productive capacity and ability to have a quality of life for everyone in the community.

Miguel Acosta, 727 ½ Montes Place, said he has four recommendations for revenue generation and comments around equity. He said the two Councilors from District 3, Councilor Dominguez particular, happen to be the ones that raises equity issues on a regular basis, and they shouldn't be the only raising these concerns. Everybody should be concerned and should be coming from every single district, and every new representative. If we are one Santa Fe, then everybody should be concerned about this. He said, "Thank you guys for taking the lead and also being out there in front of the Finance conversations. You're not going to be everybody's favorite I would say. On revenue, we have this push to buy local, but it should be buying local from locals. Chain stores don't help us. That is money that leaves the community. You should also be hiring local, especially our graduates coming out of our public schools.

Mr. Acosta continued, saying related to that is the Cosecha Conference that happens every year in New Mexico and every year we are looking for a venue for the Conference. He thinks we should reach out and offer to make Santa Fe the permanent home for the Cosecha Conference, noting thousands of people come from over the country to the conference which generates a good amount of revenue. The production of bilingual teachers should be a Santa Fe endeavor. That would be a revenue generator for Santa Fe. Follow up on the work that we're doing currently along Culture Connects. We can fund neighborhood planning and organizing and have communities and neighborhoods surface ideas about sustainability, producing more locally and supporting us in more sustainable ways. In terms of equity issues, they recently had a presentation at the Southside Library about a new development. He said bringing in more people creates more inequity. We don't have the carrying capacity, our schools are jam-packed, the roads are at capacity, we don't have services. He said if you want to invest money, finish the park. Development approvals should be for areas that have a carrying capacity.

Sunshine Muse, 1896 Lorca Drive, said she loves this city, is but heartbroken to know we are creating this kind of segregation. She doesn't want to see Santa Fe to remain or become more segregated. She doesn't want this to become a rich and poor, hills and valleys, brown and white City. She said we're small enough that we can hold equity as a value, in the same way we hold art as a value, and we can teach people from various demographics that if you are going to live in Santa Fe, you are going to live and be that value. She said it is has been interesting to work with Chainbreakers in the ways in which a woman from the east coast who is displaced, because that is what gentrification does, can come here and displace others, because that is what gentrification does. She said she is a middle class woman, her son takes the bus not because he's poor or homeless but because why shouldn't he. She doesn't think teens should depend on cars. She doesn't think that is the safest, most economical or environmental way for us to live. It's sad more parents don't understand that even if they can send their kids to school and around town in a car, that the proper or loving thing to do for the City is to put them on the bus. The disparity 'this' map indicates, indicates a value that is beginning to eat our City up. She didn't come here for this to see this happen. She urges that equity be kept in the front of all conversations, decision and to fully implement 'this' map in your brain. It is 50 years old and we can change it starting tonight. We don't want a segregated City. We're 70,000 people rich. She asked, "Why segregate."

Steven Douglas Kinkowski, said he is a transient, and he and his family are living in an RV. He has lost City scale jobs because of the lack of coverage and the inconsistency of the scheduling of the #1 bus, the #24 bus and so on. He said he can't drive himself because he has seizures and has PTSD and anxiety and is blind in one eye. He said his kids need to do their homework in a very cramped space. He said the south side is the cheapest place to live. Unfortunately, he is consistently forced to choose between looking for work one day or begging for money. He misses opportunities due to lack of services and scheduling of interim jobs which don't pay that much. He said, "I just wish that you guys would take these things into consideration as you focus on the budget, and don't make it any more devastating on the south side of Santa Fe."

Stefanie Beninato, P.O. Box 1610, Santa Fe, said she heard the Mayor say there will be cuts in transportation and it won't go away. She thinks part of the disparity.... 40 years ago there was socio-economic diversity in every neighborhood, and there were affordable housing projects in every neighborhood. Now we are allowing developers to buy out of affordable housing in their development and giving money to the City which has led to disparity. Annexation also has led to disparity. She applauds the Council for being sensitive. She said in looking at Santa Fe Ride and Santa Fe Pickup you can see those services overlap downtown. She understands that Santa Fe Pickup is sponsored by the Lodgers' Tax. She unsure why employees coming from the Railyard, etc., get free transportation from Lodgers'; Tax. She said an economy of scale might prevent cuts from other schedules in other part of town, so that's a very concrete suggestion she has. She suggested in running recreation facilities it is okay to cut some hours at the GCCC. She said if the City operated the facilities in the way you operate on your home on a consistent basically, not erratically, and not opening the outside vents when it's 26 or 40 degrees and you're trying to heat a space to 76 degrees, or a part time worker for 2 hours, and 45 minutes of that are breaks because they can't be in the swimming pool area, and perhaps overlapping with front desk staff would be a concrete way of using employees fully in that facility and doing away with a position.

Alan Gomez, 3588 Jonquin Lane, said as a native of Santa Fe, and comes to speak about Meow Wolf and his concern that privileged arts organizations like Meow Wolf are seen truly for their economic benefit and not their long term impact. He said Canyon Road has been a detriment and benefit to the City. As an artist, his concern is that organizations like Meow Wolf aren't truly inclusive, and in the long term change the dynamics of a community made up of under-represented groups.

Angel Kinkowski, said she lives in her RV, because it's cheaper than paying for a 2-bedroom apartment. She said her work is non-profit organizing, but it doesn't pay a lot. There are people like her who work very hard and are not afforded the resources for what our work provides to this community in order for it to be able to sustain the affluence we wish to invite here. We are only as strong as our weakest link. The people that make the beds, serve the wine, and keep many of our more affluent members of this community happy need to be happy, otherwise service degrades. Tourism isn't sustainable, because your population is miserable, that's why this needs to be address. We can't move forward until we tidy up our mess. We just can't kick out the people you don't want, because the people you don't want are the people that do the work. We have to keep these things in line.

Mayor Gonzales asked Ms. Brennan if we are allowed to close the public hearing at this time.

Ms. Brennan said, "You can close the public hearing. Yes."

The Public Hearing was closed

Mayor Gonzales thanked Chainbreakers for coming out tonight with its powerful message, which was heard. He knows that because the Council adopted a set of principles on how to adopt a budget and at the top of the list was equity, and making sure the budget reflects all the needs of our community and is inclusive. He said your public participation will be important and critical, and urged the public to find out the dates of the budget hearings and continue to attend and come forward with ideas, with a continued commitment to make sure to live in Santa Fe one has to feel included and supported by this government.

MOTION: Councilor Dominguez moved, seconded by Councilor Harris, to adopt Bill No. No. 2016-11.

DISCUSSION: Councilor Maestas said last year when we took up this issue, we had to take action for the DFA to approve our budget because it was based on a much higher Payment in Lieu of taxes, and his amendment added the sunset. He said given where we are in developing a framework and balancing the budget, this is one of the tools we need to accomplish the task of balancing the budget.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas and Councilor Rivera.

Against: None.

Abstain: Councilor Villarreal.

6) CONSIDERATION OF BILL NO. 2016-12: ADOPTION OF ORDINANCE NO. 2016-____ (COUNCILOR DOMINGUEZ). AN ORDINANCE ADOPTING A MUNICIPAL HOLD HARMLESS GROSS RECEIPTS TAX. (OSCAR RODRIGUEZ)

Mayor Gonzales said, "Just to be clear, once again. This is allowing an adoption to take place, but setting that amount will happen now. We have to designate the amount now, or can it be set at a later date."

Ms. Brennan said, "If you want to enact this effective July 1, you have to set the amount tonight. Yes. If not, if you're looking at January 1, you don't have to act tonight."

Mayor Gonzales asked, "Can we act on both of them tonight and be able to put a stop."

Ms. Brennan said, "We will be taking them to Taxation and Revenue tomorrow, if you act on them tonight, and looking for a July 1 date. So we will then be starting the process toward implementation by Taxation and Revenue. And I don't know what the effect of repealing them before that date would be."

Mayor Gonzales said, "But if we adopted a budget, and for whatever reason moved on a different path, the question is... I've got to believe we could repeal it."

Ms. Brennan said, "I think we would repeal. The question is whether there would be a period where it was effective."

The Governing Body commented and asked questions as follows:

Councilor Dominguez said we are ready to start the month of April, so realistically we will know in a few months, probably 6 weeks even to how close we are to having to take any action.

Mayor Gonzales asked if there could be a combination of the two, if we adopted 1/4¢ Municipal Gross Receipts Tax and then 1/8¢ on the Hold Harmless so we were able to minimize the transfer of Water Funds, would that be possible.

Mr. Rodriguez said yes, noting the smallest increment that can be adopted at one time is 1/16¢, which would generate approximately \$800,000.

Mayor Gonzales said so if we imposed 1/16¢ on Hold Harmless and 1/4¢ on the Municipal Gross Receipts Tax, that would make up the difference currently in play that would come from the water fund.

Mr. Rodriguez said yes, and any difference that needed to be made, could be made up from cuts.

Ms. Brennan said, "I thought it might be 1/8¢ increment. Marcos is getting the manual now and we can check that.

Mayor Gonzales said then it's either 1/8¢ or 1/4¢.

Ms. Brennan said, "I'm really not sure, but I think it is 1/8¢, but we are checking that right now.

Mayor Gonzales asked if we can go with language of "up to," or are you saying we have the set language tomorrow.

Ms. Brennan said, "You need to fix it. And I just want to say the language of the Ordinance is set by Taxation and Revenue. There is a manual and it has to be in substantially that form or it will not be valid, so there's not a lot of room to play with the ordinance, we'll insert the number, but in terms of language there should not be many changes."

- # Mayor Gonzales said he would like the Council to consider the question of when the adoption will take place, and then we can talk about the rate. He said Councilor Harris brought up a compelling part about the disruption of businesses to go from one GRT rate to another. That puts us back into the situation of having to go with \$3.8 million in cuts or ask for an additional \$3.8 million. We need to make a decision on the effective date of July 1 or January 1. If it is effective July 1, then we won't have the same issue of having to transfer more Water Funds through the Franchise Fee.
- # Councilor Ives said he would speak in favor of an effective date of July 1 for any measures we choose to adopt. He said we have identified our purpose in the whole budget framework in all our discussions to resolve a significant deficit that we've been made aware of. He said, "I think to do that, it makes sense to use these mechanism. Additionally, a point was made earlier in our discussions that what we're doing with this budget framework is solving a problem at this moment, for this next year's budget. But we know, as a result of again, the reduction in the Hold Harmless payments that are to come, that there will be structural gaps that are going to be imposed, by no action of our own, in future years. And if there is a period when there is an overlap as has been discussed that brings in a little revenue that we can use toward those future circumstances, to me it makes sense to do that now. As opposed, to finding ourselves in that same position next year, and having to go through that exercise all over. So for that reason, I'm in favor of trying to put whatever measures we do in place, effective July 1."

MOTION: Councilor Ives moved, seconded by Councilor Dominguez, that whatever measures are adopted by the Governing Body have an effective date of July 1.

DISCUSSION: Councilor Dominguez said we can take action on the date because it applies to both H(5) and H(6).

Mayor Gonzales said then let's go to the issue of the effective date, that was the motion, for July 1.

Councilor Ives said basically, that would mean taking these take to Taxation and Revenue tomorrow.

Councilor Harris said he is looking at the Financial Performance Report as of December 31, 2015, and you are projecting savings in the current budget of approximately \$3.9 million, and then you wanted to say total revenues performing 2% above budget, and you say coming in \$3.5 million higher and the sum of that is \$7.3 million. He said if we don't generate that amount, even closer to \$5 million, how would you anticipate using those funds.

Mr. Rodriguez said, "I would recommend to you that you treat them as one-time expenditures and use them as capital improvement for one-time projects."

Councilor Harris asked the reason we would do that.

Mr. Rodriguez said otherwise you would be continuing the deficit, in other words paying recurring costs with one-time revenue which is how we got to where we are now.

Councilor Harris said his point would be to get to the point of getting to a date, trying to bridge that 6 months.... the tax increase on July 1, let's just say it's the MGRT. And we've still got the Water GRT in place until December 31, so he is trying to bridge the six month period so we don't have a bump-up. He said there will be some skepticism, a mild word, about what people think the future holds six months from now. He said, "I would like to make it as clean as possible and not disruptive to not only the consumers Mayor Gonzales mentioned, but certainly the business community, because it is disruptive when you try to track this, and quite frankly it will get lost. For many businesses, that will create problems with Tax and Rev, so that would be my point. Why wouldn't these savings be able to be used during this 6 month period, or a portion of the savings."

Mr. Rodriguez said, "You could do that as a one-time expenditure, I guess that's what you would use it for. In other words, in lieu of a high Franchise Fee which was also a continuation of the deficit, maybe that would be a plan, if that's where you want to go. The impact might be a smaller capital improvement issue... I couldn't tell at this point exactly what that would be. So it would be one time money from the ending balance to pay for a one-time bridge if you want of six months. That's the logic."

Councilor Harris said that is what he is describing. He said if the money isn't dedicated to specific capital projects it seems like it's worth talking about using it in this instance.

Mayor Gonzales said that's a valid point. He asked if the capital plan that's coming up, the \$5 million you anticipate in some type of net revenue, have those funds been earmarked for the ERP system, or for some of the other systems we are counting on moving forward to pay for it basically. Or, are there other sources of funds for that.

Mr. Rodriguez said, "If our projections hold. Right now the organization is just getting used to paying attention to these projections and they come in the way they are right now, there would be an extra million dollars flowing to the ending balance. And I would recommend that you treat them as one-time expenditures, and so those might be there. And if you deem this 6-month bridge to be a one-time expenditure, I guess it meets that basic logic, yes, I guess that would work. So to answer your question Mayor, at this point, not those funds will not all be dedicated to the ERP. I can't tell you exactly how much that is, because it is a projection at this point. Right now, the CIP you approved in January is covered completely with the money that we felt for sure was in there. This is on top of that. And so it would be deemed that. Of course, part of the way we were going to.... a big part of the strategy, probably we're going to move people from operations, for example, I'll give you an example. There is some \$1.8 million spent on maintaining those [inaudible] and the way that we move that effort into a capital program was through money from the ending balance. So I could try that, but I couldn't tell you exactly, at this point, what that number is. But it would work."

Councilor Dominguez said, "There is a lot of work that needs to be done in our community. There's a lot of different maintenance. We've had a large discussion about that work required on our buildings. And we've had the discussion about timing in the past, and why Kelley, at one point gave us a matrix, because I was under the impression we would be able to sever one (tax) one day and enact the next day, and we would have that seamless transition. But because of the different taxing authorities and the different timelines that come with them, there is going to be a gap one way another. There is going to be a gap on the

revenue side if we don't do it by July. Or there will be a gap on the expense side if we wait to January to do it. So one way or another, there is going to be some sort of gap."

Councilor Dominguez continued, "It is a good discussion to have if we're going to spend money on one-time expenditures, which is the appropriate thing to do. We certainly should have that discussion and decide how that gets spent because there is a lot of work that needs to be done in our community in terms of capital, forget the operations side, specifically with this allocation and as it pertains to capital there certainly is a lot."

Mayor Gonzales said, "Part of this budget fix would free up funds currently covering operations to go into capital projects too. So, I think this budget fix creates a pathway to consistent long-term capital going into deferred maintenance, as opposed to going to operational costs. So I understand the point about being careful not to pull from a reserve fund that could go to capital, but it would be going toward a budget that actually would free up capacity to go into capital. As a result of this we're not going to be having to use half of our CIP 1/4¢ to cover operations. We're not going to have to use other means of funds that should go into capital to cover operations, because that is part of this corrective fix that we'll have."

Councilor Dominguez asked for an example of where we could use the \$3.8 million between now and January 1.

Mayor Gonzales said, "As to the \$3.8 million that would be generated between now and January 1, because that's how long for everything to unwind...."

Councilor Dominguez asked, "Besides the example that you've already given, tied to water, really is what I'm looking for."

Mr. Rodriguez said, "To be sure, that windfall is all for water, not for the General Fund. So the \$3.8 million is going to be collected for water, and the only way you can get that is to do a PILOT or a transfer. The General Fund isn't going to get any extra revenue, other than what is in the framework. I want to make sure....."

Councilor Dominguez said, "That's why I said at the very end tied to water."

Mr. Rodriguez said, "And the kinds of things you could use it for would be things that are a part of the Water Plan. And we are going to have the rate analyst at the Finance Committee, hopefully next week, to talk to you about how those rates look given the actions we're taking here. The talks we've had with the rate analyst so far is all that money that is in cash they're going to use eventually to do the capital improvements at about \$16 to \$17 million a year."

Councilor Dominguez said, "I'm a little reluctant to open this can of worms Mayor, but I'm going to ask it like this then. You potentially could use that money to pay the Water Department for the water that the parks use."

Mr. Rodriguez said, "Well you're already doing that."

Councilor Dominguez said, "Right."

Mr. Rodriguez said, "You're already doing that, but it would still be a transfer. And any use of that for the General Fund is a transfer."

Mayor Gonzales said, "The way I see it, Councilor Dominguez to your question, what type of infrastructure projects would that \$3.8 million.... what is eligible. It's going to be what is in the Water Utility CIP Plan, and basically this year, they've called for spending \$17 million to upgrade the water infrastructure in the City. \$3.8 million of that \$17 million could come from this tax that is generated so it goes in. But as Oscar indicated, it could only go into that CIP Plan that has been presented, I think, to Chris's Committee which is basically a 10 year, is that right Chris, that Public Utilities. It's a 5-10 year plan that basically shows how much investment needs to take place year over year over a 10-year period. And it's not just for water infrastructure, it's wastewater as well, right, that you guys are dealing with. So there definitely is need, but whether there is a capacity to actually implement \$3.8 million more above the \$17 million is certainly a question that I think Brian would have to have with Nick."

Mayor Gonzales continued, "But I do think that if we go down that path and we generate \$3.8 million more because it's going to take us 6 more months which it is, there's no way we can stop that from happening. That we ought to commit, somehow, that that money would go directly back into the water system during this upcoming fiscal year."

Councilor Maestas asked, "Point of clarification. We just removed the sunset on the PILOT, but we didn't set the actual payment. Will that be done during the course of the budget, but it can be up to 12% . Correct."

Mayor Gonzales said, "Correct. We removed it, so it's generally what the Council determines."

Councilor Maestas said, "And I just wanted to restate my motion. We're kind of really pushing the whole gross receipts tax issue, we're thinking really hard about when it should come into effect. We're laboring over how much. But if we consider a property tax increase and a temporary higher transfer, this can give us more time to really really think about these GRT increases. I am prepared to support a GRT increase, but only the one that has an option for the public to vote. So I won't be supporting the Hold Harmless. It was the subject of, basically, legislative claw-back in this last session. I don't know if there will be future attempts to basically call those enactments back, at least the ones that haven't been backed by bonds. I thought it has less earning power than the Municipal GRT. So that was my preference and I'm prepared to support that one, we're not going to hear it yet. I just wanted to explain, I think, why I can't support the Hold Harmless."

Councilor Harris said, "Again. And I understand infrastructure needs, but again, talking about the additional monies, we said \$3.8 million that may go into the Water Fund for capital projects. And I haven't seen the schedule for Water and Wastewater, but I assume the monies are in place to do what has been scheduled. Correct. I mean, the scheduled work does not require additional monies. So again it seems,

particularly since we're essentially cleaning things up, we're not going to be tapping the Water Fund like we have been for years. And with the existing rate structure and everything else, it seems as though we're going to be in good stead and be able to meet the requirements for our infrastructure. I assume that's been anticipated."

Councilor Harris continued, "And I also am concerned about... you know, if you think about the whole capital process, design, I don't know how much of this work is design, can it really be accomplished. If design contracts aren't in place and deliverables haven't been received in terms of drawings and specifications, I really question whether you can even put the money in service. And I really have a hard time taking money out of our local economy if we can't put it in service in short order, certainly within the next fiscal year. And that would be part of my concern about doing it on July 1. I really think January 1, if there's real possibility for taking some of the monies that we anticipate.... I'm discounting it from \$7.3 million...that again, it's just projected, I do understand that, down to \$5 million. It seems like that's a prudent approach and just is a cleaner arrangement that people will understand and accept is really my point of view."

Councilor Villarreal said, "On that point. Actually that's the first time I heard something that made sense about how we're looking at these pots of money that we're really just playing out to fill the gaps. So, I'm in support of that, Councilor Harris, I think, if we could get more details. But I do think it does keep it clean and we don't have to tap into another Hold Harmless GRT. And I've been confused, maybe because I'm new, why that even came about, why we have these options on the table, when really maybe we should have just kept looking at the Municipal GRT. So I'm curious how we can keep.... I don't know the details of this option, and if there are other Councilors that think this could be a possibility. Thank you."

Mr. Snyder said, "I just wanted to clarify some comments that were made. So from the utility standpoint, we have 10 year Financial Plans and Capital Improvement Plans for each of the utilities, Water, Wastewater and Solid Waste. Water we're fine. Wastewater, we don't have all the funding in place. So part of the Financial Plans, and the projects listed, and then based on the revenue streams, you look at do I need a rate increase, what kind of bonding capacity do I have. Those kinds of things are all taken into consideration. And my understanding from Wastewater and our 10 year window, a rate increase is needed to fund the needs of operation and maintenance as well as capital. So I just want to make sure that Water, we're fine. Solid Waste, I believe we're in need of some sort of rate increase over the next 10 years to maintain projects, and Wastewater the same way. So all the capital needs for the utilities are not currently met with the current rate structure. So I just wanted to make a clarification on that."

Councilor Lindell said, "The motion that is on the floor is to do an implementation in January. Is that correct."

Mayor Gonzales said it is in July.

Councilor Lindell said, "We've talked about the 1/4% in January, and we've talked about 1/4% in July, and the 1/4%, correct me if I'm wrong Oscar, the 1/4% in January will be going away that is dedicated to water."

Mr. Rodriguez said, "Yes."

Councilor Lindell asked, "If it is possible, and if we were to implement that 1/4% of new Municipal GRT in January instead of July, that means we would have approximately \$3.5 million gap that we need to fill for operations. Correct."

Mr. Rodriguez said, "Correct."

Councilor Lindell said, "Just another idea, and being respectful of the point that Councilor Harris made, we could possibly consider doing the 1/4% Municipal GRT in January, which offsets the Water 1/4% going away and implementing an 1/8% in July on the Hold Harmless, which would create the \$3.5 to fill the gap."

Mayor Gonzales said the only thing is that it still would modify the GRT structure that the businesses are paying on July 1, so their GRT rate would go up by 1/8%. So that 1/8% will stay there. That's your point. So the 1/8% will stay long term and then when the 1/4% goes down...."

Councilor Lindell said then we end up with, instead of a net zero, a net 1/8% increase.

Mayor Gonzales said that is correct and there wouldn't be a lot of bookkeeping.

Councilor Lindell said Ms. Brennan has an idea of why that can't work.

Ms. Brennan said, "No. As a matter of fact, I want to just state now, because the answer to the question is that, in fact, the increments you enact are 1/8 increments."

Councilor Lindell said that could work.

Councilor Rivera asked what he heard is if we enact the 1/8% Hold Harmless that the State will discontinue giving us money as soon as we implement that.

Mr. Rodriguez said it will make no difference whatsoever, noting they can do the Municipal or Hold Harmless.

Councilor Rivera said then they will continue to give us what we receive, regardless of which we choose.

Mr. Rodriguez said yes, noting the 1/8% will generate \$3.5 million of Hold Harmless or Municipal GRT.

CLARIFICATION OF THE MOTION BY MAYOR: Mayor Gonzales said, "So the motion was to enact, you didn't say which GRT, but to enact it starting on July 1, 2016."

Councilor Ives said he understood the discussion we were having, because we didn't have the answer on the actual amount we could do, was whether or not anything that we're talking about, in terms of increases in taxes, whether GRT or property tax, whether we would initiate that effective on July 1 or January 1. He said, "So I moved to do it effective July 1."

Mayor Gonzales asked, "Do you want to offer an amendment that would propose what you are proposing."

FRIENDLY AMENDMENT: Councilor Lindell would like to amend the motion to say 1/8% enacted in July of Hold Harmless, and 1/4% enacted in January of Municipal GRT. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE GOVERNING BODY.**

CONTINUATION OF DISCUSSION ON THE MOTION AS AMENDED: Mayor Gonzales asked if everyone understands the amendment.

Councilor Villarreal said, "No, and I just have a clarification for that. I think what Councilor Lindell said in looking at a GRT increase, is it would then flesh out in January and there wouldn't actually be an increase in January, it would remain to be used."

Mr. Rodriguez said, "You would still be up by 1/8%, by what you said, originally."

Councilor Villarreal said, "Originally that wasn't the case. We were going to be flush and it would basically mean that that there wouldn't be a GRT increase for taxpayers. So now we're saying it is going to go up 1/8%, which means... what does that look like then."

Mayor Gonzales said, "Could you put up the framework [Exhibit "2"]. I think Councilor Maestas coined it perfectly, which is we pull it and place as part of that. So you repair 1/4% on the Water Infrastructure, you would replace it with 1/4% on the operational side of it, and that going into tonight would have been a net zero. So what we found out tonight, because the interest rates fell when they did, to start the clock, we were not going to be able to reduce the infrastructure GRT until December 31, so that's going to stay going as is. But we'll pass all the resolutions to pay it off. The question is on the framework up there is that we have to solve that rededicated/replace component, and right now it was only \$7 million, which meant we were going to have to raise our, potential for the Franchise Fee, more cuts. Under Councilor Lindell's proposal that we rededicate/replace we start with 1/8% right now, so it's 1/8% as of July 1, and that generates how much."

Mr. Rodriguez said it's a year, \$3.5 million, so for 6 months about \$1.6 million.

Mayor Gonzales said just put \$3.5 million, so you should add it on the Tax Increase, because that's what it would be and then just go ahead and add it all the way down.

Councilor Villarreal said she wants the clarification because she feels we're still feeding the gap with GRT increases, when really now there is going to be a net zero. We have a long term GRT increase we're trying to avoid.

Mayor Gonzales said this is correct.

Councilor Villarreal said, "So there's no other revenue source that we've considered at this time, except for this possibility."

Mayor Gonzales said, "You have the property tax as an option."

Councilor Maestas said 1.53 mils of property tax would give us 1/8%.

Councilor Villarreal asked, "Well then, how do we look at that option before we have to make a decision on this option. This is crazy."

Councilor Ives said, "On that point, I think we talk about it, and if we want to amend the motion again to address that by property tax increase instead of 1/8% Hold Harmless."

Mayor Gonzales said we have to see it, put it out, because Councilor Lindell has proposed something to show us what that would generate annually.

Mr. Rodriguez said 1/4% waived on January 1 is \$3.5 million. 1/8% raised "in July through June 1 is \$3.5 million," so this is the scenario. So it's \$14.2 million, so we're \$800,000..... *[STENOGRAPHER'S NOTE: There was conversation among the Governing Body that was completely inaudible, because everyone was talking at the same time]*

Mr. Rodriguez continued, "So the increase would have to be here, following the logic that we got from the Finance Committee. First taxes would come over here. And so, maybe at this point, at this level of the margin, then we could go with what was suggested here by Councilor Harris, about using \$800,000 as a one-time thing to make it all work. Then I would feel a lot more comfortable if that's the margin we're working with, than if we're talking millions of dollars."

Councilor Harris said, "Again, we said earlier to go to \$1.5 million, that represented a 4% Franchise Fee"

Mr. Rodriguez said, "Yes. It would be about a 4% Franchise Fee."

Councilor Harris said, "It is certain defensible. It's well within the range of whatever municipalities... as well as what we do already with other utility companies."

Mr. Rodriguez said yes sir.

Councilor Harris said, "So it seems to me that you would take the Franchise Fee up to the \$1.5 million, instead of the 0.7, in order to get to the \$15 million. That's just the way it seems to me. I would still try and advocate for not having a GRT increase, and that's really what we're talking about here. And that's what this represents is a GRT increase of 1/8%. I would rather try and bridge with end of year balances. And I would rather have a discussion about some level of property tax increase, because I think over time, that's really what we have to move toward in order to have something we can anticipate with a little more confidence, certainly than where we are now."

Mayor Gonzales said, "So we're going to the motion, and if it... I'm glad you put that out so we can decide whether or not we want to go down this path."

Ms. Brennan said, "Mayor, I'm sorry, I think we need two separate motions. I think the two tax increments were meshed up. So we need a motion on the 1/8% and a motion on the 1/4%, if I understood what you. I thought we were...."

Mayor Gonzales said, "Can we put that on a time out and then bring in the property tax discussion so we can understand all of it. Or can we table this motion to 30 minutes from now."

Councilor Ives said if he would like, he would withdraw the motion.

Mayor Gonzales said, "Why don't you withdraw the motion. Thank you."

WITHDRAWAL OF MOTION BY MAKER. Councilor Ives withdrew his Motion.

Mayor Gonzales said, "So, for lack of a motion it dies."

Ms. Brennan said yes.

Mayor Gonzales said, so there will not be, as part of this budget fix, a proposal to increase the Gross Receipts Tax for the Hold Harmless allotment.

13. CONSIDERATION OF RESOLUTION NO. 2016-____ (COUNCILOR DOMINGUEZ). A RESOLUTION INCREASING THE PROPERTY TAX WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE. (OSCAR RODRIGUEZ) (Removed from the Afternoon Agenda to be heard with Items H(5), (6) and (7).

Mayor Gonzales said so let's move on the property tax side of the equation. He said if we wait until January 1, that's what we're looking at, right, with the exception of the tax increase. So \$3.5 million would be the property tax as opposed to the GRT.

Mr. Rodriguez said, "Yes. Of course the money comes in December. We can budget it now."

Mayor Gonzales said, "Then that's a full year of how many mills."

Mr. Rodriguez said 1.35 mills I think.

Councilor Maestas said 1.53 mills is equal to 1/8%.

Mr. Rodriguez said yes, in that range, but they will come to you with more figures as part of the budget proposal, and also trying to follow the direction you gave us, which is the discrete stuff that is associated directly with the Property Tax increase.

Councilor Maestas said, "It was my understanding, and we had a discussion about this, that the property tax increase does not necessarily require an Ordinance for its passage, that it's passed in the form of the budget approval. We can conceptually agree to a property tax increase, as we did in removing the sunset for the PILOT and allow that to move forward through the budgetary process. But for the purpose of trying to close the deficit, we can use some potential property tax increases. What I'm getting at, is maybe we can use in this case, language which provides 'up to a certain amount' of a property tax increase. As opposed to specifically designating it like we have to.... she's nodding her head. Okay you're going to correct me. Tell us about what's really required in terms of Council action in advance of budget approval for a property tax increase, and how specific must we be."

Ms. Brennan said, "You have to set your rate, and it is a set rate. It has to go to Taxation & Revenue, which sets the rate in September. They really decide the balance between commercial, residential and so forth, but you set a rate. It is by Resolution, and you have a more forgiving schedule in that sense. We haven't had the request to advertise and so forth. And you have until the time... for an effective date until we send it to the Local Government Division, the budget for approval, which is at the end of May. If you remember, last year we had a bit of a problem, because the Ordinance relating to the Water Fund Transfer was not effective until July 17th or something, and they wanted to know if that was okay and how we were going to cover that period and so forth. So it does have to be fairly definitive so Taxation & Revenue can set the rate and institute it in time for taxing."

Councilor Maestas said, "I think we ought to take action on this first, and then we'll know what we're talking about. I agree with Harris, I think we ought to strive for no net increase in GRTs, and I think that would be a much better outcome for us."

Councilor Dominguez said, "I'm interested in the discussion Councilor Maestas, but what I don't want to do, is I don't want to segregate each of those. I would rather take action on a package and not give any one of us the wiggle room, if you will, to support one without the other and not have any solutions for some of the framework that we are working on and coming up with."

MOTION: Councilor Maestas moved, seconded by Councilor Ives, to adopt the Resolution in this matter, and to increase the property tax rate by 1.53 mils, for a total of 4.347, and that it be dedicated for general municipal operations.

DISCUSSION: Councilor Maestas said it is equivalent to 1/8% GRT, the \$3.5 million.

Mayor Gonzales said this is Item #13, so we are considering all of those as a package, and asked if we have to go in order. "It doesn't matter, right." This is Resolution No. 2016-26. "And for the record, it is a Resolution increasing the property tax within the municipal boundaries of the City of Santa Fe."

Mayor Gonzales asked Mr. Rodriguez to get the framework back on the overhead [Exhibit "2"]. He said, "Under this framework, the property tax increase you are proposing would be the \$3.5 million and go as a tax increase. Correct."

Councilor Maestas said yes.

Mayor Gonzales asked him to explain his thoughts on the repair/replacement. He asked, "On the replacement GRT, what is your recommendation to the Council regarding that."

Councilor Maestas said, "Well, I just think we just make up the difference with GRTs instead of totally relying on gross receipts taxes, diversifying our revenue sources."

Councilor Lindell said, "I think that is important for us to have a very specific number as to what does this 1.53 mil, how much extra tax does that add on, per \$100,000 evaluation on a house. We don't know how much we're taxing people."

Mayor Gonzales asked if anyone can answer that question.

Mr. Rodriguez said, "It is going to take a little time, but I can give it to you."

Councilor Villarreal asked, "Can we just check the math to see if it totals to the amount of revenue."

Mr. Rodriguez said that's where we're getting to right now. It's not a straight ahead run together, because it goes to a formula that Tax & Revenue recommends we use. So that's what Adam is going to go do and run a spreadsheet. It takes into account assumptions, and then it goes there. To be sure, you get the biggest yield the first year, and from that point on it adjusts to inflation and Taxation & Revenue does that for us. And we'll get that figure to you soon."

Councilor Rivera asked, "What are the safeguards for the people who have lived on Canyon Road their entire life, and now own a piece of property worth millions of dollars. Are there any safeguards with property taxes for them."

Ms. Brennan said, "We can't create those safeguards, but there are appeals processes, there are some exemptions under the statute and they have been created for that purpose, whether they would address all the concerns we might have individually, I don't know."

Councilor Rivera said, "So we may stand some people who have lived in homes for generations that may not be able to afford the increases."

Ms. Brennan said, "There is also an appeals process. And I believe that rates increase on transfer. In other words, I don't know how often properties are revalued. I know they're supposed to be set at a certain time, but they're also revalued essentially when they're sold. So that would be a triggering event, that presumably those people would be selling the property."

Councilor River asked, "Does that only include sale, or does it include inheritance as well."

Ms. Brennan said, "I honestly don't know, but I think it may be sale, because that's the transaction of monetary value."

Mayor Gonzales said we will have a break at this time and we will be back at 9:30 p.m.

Break 9:20 p.m. to 9:30 p.m.

Mayor Gonzales said the motion before the Governing Body is to raise property tax.

Councilor Maestas said we are fixated on enacting a GRT increment to replace what we are going to repeal from the Water Fund. If it is adopted, this property is equivalent to 1/8% GRT, so we may be looking at only 1/8% GRT, so we will wind up with a net decrease in the combined taxes which would be a better outcome than repealing and replacing. He thinks that would be great.

Mr. Rodriguez said, "The question was how much would 1 mil generate. 1 mil brings in \$6 million and 1.53 mils would generate about \$3.5 million."

Mayor Gonzales asked what the property tax increase cost on the average home, about \$300,000 value.

Adam Johnson, City Budget Officer, said the appraised and assessed value are two different things. The assessed value is 1/3 of appraised value, so on a \$300,000, it would be 3 times the amount on \$100,000, which would be \$51 dollars per year. He said, "On the proposed increase at hand, here for a \$300,000 home, you would be looking at \$153 based on the assessed value."

Mayor Gonzales said, "On the framework, the proposed motion would raise \$5 million in property taxes in that top slot."

Councilor Villarreal said, "1.53 mils is on the table, yet there may be another option."

Mayor Gonzales said we have to vote on this first.

Councilor Villarreal said, "Don't you want to hear the other option. This is to enact this tonight, and this will come into play."

Mayor Gonzales said, "This is Item #13, so the motion, if adopted tonight, would increase the property tax within the City of Santa Fe by 1.53 mils, and that would become part of the budget framework."

Ms. Brennan said, "On Page 5 line 1, it says, 'increase by blank mils to a total of blank mils,' so the 1.53 mils is the first blank and we'll add the remaining information."

VOTE: The motion failed to pass on the following Roll Call Vote:

For: Councilor Harris, Councilor Ives, Councilor Maestas and Councilor Villarreal.

Against: Councilor Dominguez, Councilor Lindell, Councilor Rivera, and Mayor Gonzales.

This agenda item died for lack of a motion/action.

7) CONSIDERATION OF BILL NO. 2016-13 ADOPTION OF ORDINANCE NO. 2016-15 (COUNCILOR DOMINGUEZ). AN ORDINANCE ADOPTING A MUNICIPAL GROSS RECEIPTS TAX. (OSCAR RODRIGUEZ)

MOTION: Councilor Harris moved, seconded by Councilor Dominguez, to amend the Deficit Closing Framework that anticipates, in addition to the scheduled Fee Increase of \$2.50 million, a Franchise Fee equivalent to \$1.5 million, cuts equivalent to \$4 million, and the rededicated GRT equivalent to \$3.5 million, and that the difference be made up by an ending balance from fiscal year 2015/2016.

DISCUSSION: Mayor Gonzales said, "He added a second component Oscar, that I think was meant to replace the Franchise Fee going to \$1.5, because we were talking about amending the budget framework to allow for one-time cash reserves through operations that we were going to anticipate to be used to cover this year's \$15 million gap, but the Franchise Fee would stay at 0.7, wouldn't it, because we would get the difference from one-time cash reserves, not from Franchise Fee reserves."

Councilor Harris said, "Just for discussion that top line Tax Increase, just call it One Time General Fund Reserve."

Mayor Gonzales said, "Move the \$1.5 million back to \$ 0.7 back to the original number. So the top number would be plugged by one-time revenues."

Councilor Harris said, "Yes. It goes up from \$3.5 million. Do the math now at 0.7. Yes, it goes up to that same \$800,000, that's why I didn't put a number to it. I put it in the motion but that was a one time.... I wanted to be flexible. We don't know exactly where we're going to end up with Fee increases. We heard earlier it's going to be bit of a stretch to get to the \$4.0 million, but I think that's the goal we need to work toward, so I was going to leave the top line flexible. I wasn't going to put a specific number in there."

Councilor Ives said on the point the top line assumes a tax increase. We just voted down property tax.

Mayor Gonzales said he's using that line for a plug of the ending balance that would come from cash reserves.

Councilor Ives said in this year, we'll have \$4.3 million, so we'll do a one-time fix and then face a \$4 million deficit in the following year.

Mayor Gonzales said, 'No, because the 1/4% is enacted in January. He said the way I hear what you're saying is this proposal would not increase taxes, as part of this fix that we would use one time monies that are going to be generated because of the savings this year in operations plus whatever ending balance is in place, and so we would use that cash on hand to cover the gap is the way I was hoping it would go. But what Councilor Harris has said is there should be flexibility between imposing the Franchise Fee and the gap on hand. I think we need to, for purposes of the Finance Committee, as a Council provide some target numbers to hit, so when you come back you will have worked out that number. My preference would be that if we want to hit the \$4.3 million out of savings, that that's what we state tonight, that that's the target we have to work for.'

Councilor Harris said, "I purposely included the \$1.5 million for Franchise Fees, that does represent 4% , and that's a defensible number for everything I've ever heard, so that the ending balance one time of, I don't want to say adjustment, but the one-time... leaving it at \$3.5 million is roughly half of what's being projected, and we know it's just a projection, things could change, but it's the same projection we've seen in each of the last 3 monthly reports. So I think it's likely we're going to hit it. I think the Franchise Fee is defensible at 4%, and I would say \$1.5 million, and we just use a smaller amount for the ending balance and decide where the rest goes. That's my proposal."

Councilor Maestas said, "I'll have to go back to what Oscar said. I'm the one that has been citing this positive trend, but we're counting money we don't have, number one. And then number two, we just drew that down by about \$600,000 by paying all those negative deficits in all those funds and we didn't take action in paying off the \$1 million MRC deficit. We're going to wait to the end of the year. That conceivably come out of that balance as well. That's about \$1.5 million that could top off the anticipated, projected surplus, and that's assuming it holds true. I'm just a little uneasy, because now we're taking about \$2 million. And at the end of the year is when all of the encumbrances come in, and there are sometimes so many they have to carry-forward in the next year. I think that's just a little too razor thin to be able call it definite and use it in the framework. I appreciate where Councilor Harris is going, but I'm just a little uneasy about whether we have that today and whether we may have that at the end of June, and I would have for that to go up in smoke with paying deficits in funds like we did earlier."

Mr. Rodriguez said, "Thank you for pointing that out. I do want to run a tape with you about the things that are there, starting with what we saw earlier today. The most I could possibly be comfortable with telling you is we are somewhere in the neighborhood of that target, and the very most would be \$2 million and that would be stretching it and would make staff a little nervous. But if there is flexibility between that and up to \$1.5 Million in transfers, etc., and then we could make other cuts, that would be enough for us to say it's feasible and we can get there. \$3 million, I think we're stretching it primarily for this reason. As we have talked to each of the departments and said, look our projections say you're going to be coming in at the price that isn't believable, we're going to use every penny in our budget. Clearly, this will be like a first exercise in using this, and I would feel a lot more comfortable with two years under my belt, but not at this point."

Mayor Gonzales said, "I do appreciate what you're saying. I do think, and I appreciate the discourse tonight by the Councilors, all of you, for looking for options to try and solve this difficult process. I voted against the property tax, largely, at this point, because I don't think it's right to use the property tax to fix the deficit. It doesn't mean to say, Councilor Maestas, that in the future we have to do as you indicated where there has to be more of a balance in how we deal with our tax structure so when there are downturns in the economy, there's not such a big impact to the City. But I think balancing this deficit on the backs of property owners is not the right thing to do at this time."

Mayor Gonzales continued, "Having said all that, though, on the issue of the Franchise Fee, I get very uncomfortable even going from the 0.7 framework up to \$1.5 million, knowing that's still within the acceptable margin because of the commitment we made to limit the use of ratepayer monies toward the Franchise. Having said all that, I think tonight, we're here to just decide on the issue of what taxes we would increase and when they start, and then leave the rest to the Finance Committee to try and solve."

Mayor Gonzales continued, "But I am in favor of looking for more savings to see if we can drive more savings during the rest of the fiscal year, or where we can cut costs to be able to meet that goal as to increasing more from the Franchise Fee. I think Councilor Harris has put us on the right track with his motion. I think starting January 1 instead of July 1, makes all the sense in the world, especially for the business owners in the community where it can be quite cumbersome to change tax rates, and we'll just have to solve the issue of how to get between here and January 1."

Mr. Snyder said, "I just wanted to speak to the ending balance a little bit. Oscar has spoken at Finance Committee about this, but those of you that don't sit on Finance Committee probably haven't heard him say this, but from maybe last budget cycle. The City does not do an ending balance closeout within 60-90 days after the fiscal years. They rely on CAFR, and relied on the CAFR forever, to close books. That means 6 months, January 1st, after it is due, that the books from the previous fiscal year actually close out. We're striving to move toward 60-90 days after the end of the fiscal year, which I think is a valiant effort from Oscar and staff to close out the books. In a City operation where they've never closed them out within 60-90 days, I think that's lofty. I guess the reason I'm saying this is, no matter what number we plug in there, we won't know what the number is until the books are finally closed. And if wait until the CAFR is done, as in years past, we're talking 6 months after, so we're halfway through the fiscal year already. And we may not have a good number until then. And even if we hit the 60-90 day target, which we're striving to do this year and then string it back it even further in upcoming years, we won't know any exact numbers."

Mr. Snyder continued, "I don't want to caution, but I want to caution. I want to let you know I don't want to go down a path where we're coming down July, August, September, into the fiscal year, what is the number. Well we won't have that number until we close the books. We're doing our best to curb spending now. These one-time savings, we're also using that same money to get to that \$4 million in budget cuts for next year. So that won't be available in future years. That's where we're pushing our budget conversations with each of the departments is, if you're not spending it, we're going to scale-back the operations, so it's doesn't impact service, or staffing because you're not utilizing. But it's a tough conversation we're having, and I just wanted to be up front and frank with you guys."

Mr. Rodriguez said, for clarification, the reason that we do this per CAFR is because the proposal here is to not raise the GRT effective January 1, 2017, and the reason for the big gap.

Mayor Gonzales said it is \$3.5 million, is what the gap would be, because we're starting 6 months late into the fiscal year and we have to find the \$3.5 million through a difference source. It would be either through increasing the Franchise Fees for this year, or trying to find it through one-time cash items or a combination of the two, which Councilor Dominguez, you guys probably could work out at the Finance Committee.

Councilor Dominguez said, "First of all let me say we've come a long way from where we were. Because in the beginning, no one wanted to do anything. They didn't want to raise taxes, make cuts, and they wanted to do everything at the same time. So, congratulations we've come a long way, but we're not quite there yet. I think what everyone is asking for is some flexibility. We still need to have a little bit of flexibility, not only for the Governing Body, but to kind of make sure that we narrow that gap and get to the place we need to be. But even as Brian and Oscar have said, they need flexibility as well to be able to fine-tune the numbers or get to the proposed budget they're working on right now. I think what it really means, is whatever the motion says, that flexibility needs to be built in there. So, if you want to say, on that first tax increase, maybe even a range might work."

Mayor Gonzales said, "We have to set the rate tomorrow, right."

Councilor Dominguez said, "Well then what we need to do is make sure in the motion we set that rate and we are clear about what day it is going to be."

Mayor Gonzales said, "I think he said that. I think we have to make more clarity, but you did say in essence, you did ask for flexibility."

Councilor Harris said, "That's correct. I tried to move that in by not saying a fixed number on that ending balance adjustment."

Mayor Gonzales said, "But the original motion was, correct me if I'm wrong, but you have to say whether it's a Hold Harmless or the Municipal GRT by 1/4% to start January 1, and that the gap in the framework would be covered by a combination or assortment of savings we have through year or Franchise Fees, and that would be addressed at the Finance Committee."

Councilor Dominguez said, "And I think that's what I'm talking about in terms of providing that flexibility. We don't want to tie staffs' hands too much in the Franchise Fee and come up with a number that's going to not make it possible."

Ms. Brennan said, "The Recorder is going to need a restatement of the motion."

Mayor Gonzales said, "We will. We're just getting to that point, I understand."

Councilor Rivera said he believes the flexibility is already built in. He said, "All we have that we are considering tonight is how and when we are going to raise the GRTs. The rest of it is built in. I think the Finance Department and the Finance Committee can do the rest of the work, based on the information they get from the Finance Department, as more figures continue to come in."

Ms. Brennan said, "Is Councilor Harris's motion on the floor yet."

Mayor Gonzales said it is not on the floor yet, because we want it restated, because we want it to follow the other.

WITHDRAWAL OF THE MOTION: Councilor Harris withdrew his motion.

Ms. Brennan said, "With respect to the dedication, you don't have to make a dedication, it is just there in case you want to, the blanks in the Ordinance.

Councilor Harris asked, "A dedication as to percentage not as to time."

Ms. Brennan said, "The dedication to the purposes for which the money would be expended. You are not required to make a dedication. There are blanks in the bill if you wanted to."

MOTION: Councilor Harris moved, as part of the framework, to adopt Ordinance No. 2016-15, the 1/4% Municipal Gross Tax, that would be effective on January 1, and as part of the framework, we would have a rededicated Municipal GRT at an approximate amount of \$3.5 million, cuts to programs and operations in the approximate amount of \$4 million, Franchise Fee in an approximate amount of \$1.5 million, Fee Increases in an approximate amount of \$2.5 million, resulting in an end of year balance adjustment in the approximate amount of \$3.5 million, for a total of \$15 million for a budget framework.

DISCUSSION: Mayor Gonzales said, "Actually you don't have to roll all that in. What you can do is put forward a motion to increase the Municipal GRT by 1/4%, and leave it at that, and when it starts, January 1. But we definitely understood what you were doing.

RESTATED MOTION: Councilor Harris moved, seconded by Councilor Dominguez, to adopt Ordinance No. 2016-15, to increase the Municipal Gross Receipts Tax increase of 1/4% effective, to be effective on January 1, 2017.

DISCUSSION: Councilor Maestas said, "I know we're talking about the lesser of two evils, but GRTs in my opinion, are a lot more aggressive than property taxes. We had an opportunity to diversify our revenues and slightly reduce the risk to future recessions, but we didn't do that. I realize we do need to solve this problem, and I will support the motion."

Mayor Gonzales said, "Thank you for bringing forward that type of policy discussion. It's what's needed to help make sure as we look to the future, that we have a strong balance. I think this motion, especially in light of when it goes into place will keep everything status quo where we solve this, meaning there won't be an impact to the taxpayer either through the property tax or GRT. The long term, as you've framed for us,

there will be a number of issues we address and properly correcting the allocation between property tax and GRT are the tough conversations we have to have, but we should have them in how we deal with future grown and opportunities."

Councilor Maestas said, "And Mayor, I just wanted to state for the record, I did have an amendment drafted and it was to amend the legislation to require that it go to a vote by the public, but based on all the timing issues, even if you did agree me and pass this legislation with this amendment, and get it on the November ballot, it could not take effect until July 1, 2017, which wouldn't work with this timeframe and balancing everything within the framework. So I'm not going to propose my amendment. I'm going to support the legislation, as presented."

Councilor Dominguez, "Thank you for that as well Councilor Maestas, I appreciate it. And I want to say, never say never, because there are still challenges that we have long term that certainly property taxes and that shift in flipping or reliance on one or the other, needs to happen, that discussion still needs to happen, and needs to take place."

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera, and Councilor Villarreal.

Against: None.

STENOGRAPHER'S NOTE: Changes were made to Exhibit "2," to reflect the previous action.

Mayor Gonzales said, "So flexibility is built into this that if we have to go up to \$1.5 million, because we don't have a lot of cash on hand, the Finance Committee can address it. If we do find we do have enough, it could be a lower Franchise Fee. But tonight was not a vote on what those dollars would be."

Councilor Dominguez said, "For the media's sake, the bottom number, the Rededicated GRT, we need to look at that as well."

Mayor Gonzales said it is correct.

Councilor Dominguez said 1/4% is not \$3.5 million.

Mayor Gonzales said, "Yes, but it's only for 6 months. It comes in on January 1, so we will get \$3.5 million as part of the budget fix for the upcoming year from the 1/4%, because we only have it for 6 months."

Councilor Dominguez said, "As long as the media understands that."

Mayor Gonzales said in Year 2, it will be \$7 million.

G. APPOINTMENTS

Councilor Villarreal said, "I just want to make a suggestion for future appoints, for I guess the City Clerk, to make sure that when we're doing appointments the terms are staggered, because there is often, in different committees a bunch of people that are rolling off at the same time, the Planning Commission was one of them. But even the Santa Fe River Commission, everyone's term is ending in 2019. And I just think for continuity purpose that we could try to stagger it somehow."

Airport Advisory Board

Mayor Gonzales made the following appointments to the Airport Advisory Board:

Eleanor Ortiz – to fill unexpired term ending 02/2018; and
Vernon (Bud) O. Hamilton – to fill unexpired term ending 02/2019

MOTION: Councilor Maestas moved, seconded by Councilor Harris, to approve these appointments.

VOTE: The motion was approved unanimously on a voice vote with Mayor Gonzales and Councilors Dominguez, Harris, Ives, Maestas, Rivera and Villarreal voting in favor of the motion, none voting against and Councilor Lindell absent for the vote.

Children and Youth Commission

Mayor Gonzales made the following appointment to the Children and Youth Commission:

Catherine Dry – Reappointment – term ending 02/2018.

MOTION: Councilor Villarreal moved, seconded by Councilor Maestas, to approve this appointment.

VOTE: The motion was approved unanimously on a voice vote with Mayor Gonzales and Councilors Dominguez, Harris, Ives, Maestas, Rivera and Villarreal voting in favor of the motion, none voting against and Councilor Lindell absent for the vote.

Capital Improvements Advisory Committee

Mayor Gonzales made the following appointment to the Capital Improvements Advisory Committee:

Rick A. Martinez (Councilor Villarreal) – Reappointment – term ending 12/2017.

MOTION: Councilor Villarreal moved, seconded by Councilor Maestas, to approve this appointment.

VOTE: The motion was approved unanimously on a voice vote with Mayor Gonzales and Councilors Dominguez, Harris, Ives, Maestas, Rivera and Villarreal voting in favor of the motion, none voting against and Councilor Lindell absent for the vote.

Sister Cities Committee

Mayor Gonzales made the following appointment to the Sister Cities Committee:

Clara Padilla Andrews – to fill unexpired term ending 10/2016.

MOTION: Councilor Villarreal moved, seconded by Councilor Maestas, to approve this appointment.

VOTE: The motion was approved unanimously on a voice vote with Mayor Gonzales and Councilors Dominguez, Harris, Ives, Maestas, Rivera and Villarreal voting in favor of the motion, none voting against and Councilor Lindell absent for the vote.

Santa Fe River Commission

Mayor Gonzales made the following appointments to the Santa Fe River Commission:

John R. Buschser, Chair – Reappointment – term ending 02/2019;
Philip J. Bové, Reappointment – term ending 02/2019;
Dale Doremus – Reappointment – term ending 02/2019;
Jerry Jacobi – Reappointment – term ending 02/2019;
Frederick Emile Sawyer – Reappointment – term ending 02/2019;
Luke Pierpont – Reappointment – term ending 02/2019;
Anna Hansen (Alternate) – term ending 02/2019; and
Francois-Marie Patorni (Alternate) – term ending 02/2019.

MOTION: Councilor Ives moved, seconded by Councilor Villarreal, to approve these appointments.

VOTE: The motion was approved unanimously on a voice vote with Mayor Gonzales and Councilors Dominguez, Harris, Ives, Maestas, Rivera and Villarreal voting in favor of the motion, none voting against and Councilor Lindell absent for the vote.

Immigration Committee

Mayor Gonzales made the following appointments to the Immigration Committee:

Jewel Cabeza de Vaca – Reappointment – term ending 02/2018;
Amparo Elisa Guerrero –Reappointment – term ending 02/2018;
Susan Hayre – to fill unexpired term ending 02/2017;
Elizabeth Hemmer – Reappointment – term ending 02/2018;
Maria Christina Lopez – Reappointment – term ending 02/2017;
Javier V. Rios – Reappointment – term ending 02/2018; and
Alejandra Seluja, Chair – Reappointment – term ending 2018.

MOTION: Councilor Villarreal moved, seconded by Councilor Harris, to approve these appointments.

VOTE: The motion was approved unanimously on a voice vote with Mayor Gonzales and Councilors Dominguez, Harris, Ives, Maestas, Rivera and Villarreal voting in favor of the motion, none voting against and Councilor Lindell absent for the vote.

Santa Fe Metropolitan Planning Organization (SFMP) Transportation Policy Board

Mayor Gonzales made the following appointments to the Santa Fe Metropolitan Planning Organization (SFMP) Transportation Policy Board:

Mayor Pro-Tem Lindell; and
Councilor Dominguez (Alternate)

MOTION: Councilor Ives moved, seconded by Councilor Dominguez, to approve these appointments.

VOTE: The motion was approved unanimously on a voice vote with Mayor Gonzales and Councilors Dominguez, Harris, Ives, Maestas, Rivera and Villarreal voting in favor of the motion, none voting against and Councilor Lindell absent for the vote.

THE GOVERNING BODY THEN RETURNED TO THE AFTERNOON AGENDA

17. MATTERS FROM THE CITY CLERK

There were no matters from the City Clerk.

18. COMMUNICATIONS FROM THE GOVERNING BODY

A copy of "Bills and Resolutions scheduled for introduction by members of the Governing Body," for the Council meeting of March 30, 2015, is incorporated herewith to these minutes as Exhibit "5."

Councilor Maestas

Councilor Maestas introduced the following:

1. An Ordinance relating to Section 23-5, regulations for the use of the Plaza and Plaza Park, and to Section 18-8.9 Vehicle Vendors; amending Subsection 23-5.1 to amend the definition of "Plaza Periphery Area," as it relates to the Vehicle Vendor Ordinance to include portions of the Canyon Road area; amending Subsection 18-8.9 to clarify the definition of Vehicle Vendors to exclude transportation services; and making such other changes that are necessary to carry out the purpose of this Ordinance. A copy of this Ordinance is incorporated herewith to these minutes as Exhibit "6."
2. A Resolution authorizing Mobile Vehicle Vendors within the Plaza Periphery Area at specific locations and at limited times, pursuant to the Vehicle Vendor Ordinance, 18-8.9 SFCC 1987. A copy of this Resolution is incorporated herewith to these minutes as Exhibit "7."

Councilor Harris

Councilor Harris said, "I wanted to for the record, particularly those who were at the Finance Committee, that I had some real questions about the 8th amendment to the Molzen-Corbin contract on the Airport. I have to say I received that in a timely fashion, with a high level of detail. I thank Cameron Humphreys for presenting that and told him I would be following up. I had some follow-up questions. It's a complicated contract that has been in place for 8 years. I did receive what I was asking for at the Finance Committee and I got it in a very timely way. So I just wanted to note that."

Mayor Gonzales

Mayor Gonzales said he has a Resolution regarding the Budget Committee, but he's going to hold off the introduction until he can speak with Councilor Dominguez.

Mayor Gonzales introduced the following:

1. An Ordinance, cosponsored by Councilor Maestas, authorizing the issuance and sale of the City of Santa Fe, New Mexico Water Utility System Refunding Revenue Bonds, Series 2016, in an aggregate principal amount not to exceed \$75,000,000 for the purpose of

defraying the cost of refunding, paying, defeasing, discharging, and/or restructuring certain outstanding Water Utility System/Capital Outlay Gross Receipts Tax obligations of the City; providing that the bonds will be payable and collectible from the net revenues of the City's Water Utility System; establishing the form, terms, manner of execution and other details of the bonds; authorizing the execution and delivery of a Bond Purchase Agreement and Escrow Agreement; approving certain other agreements and documents in connection with the bonds and the outstanding refunded or Restructured Water Utility System/Capital Outlay Gross Receipts Tax obligations; ratifying action previously taken in connection with the bonds; amending and restating Ordinance No. 2006-47; repealing all Ordinances in conflict herewith; and related matters. A copy of this Ordinance is incorporated herewith to these minutes as Exhibit "8."

2. A Resolution, cosponsored by Councilor Maestas, authorizing and approving submission of a completed application for financial assistance and project approval to the New Mexico Finance Authority to (1) refund and defease the City of Santa Fe, New Mexico's outstanding Water Utility System/Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009A (tax exempt) and Series 2009B (taxable direct-payment Build America Bonds) and (2) and restructure the City's outstanding 2008 Drinking Water State Revolving Fund Loan Agreement #1475-DW and 2013 Drinking Water State Revolving Fund Loan Agreement #2696-DW. A copy of this Resolution is incorporated herewith to these minutes as Exhibit "9."
3. A Resolution amending the Santa Fe Film Commission to provide for alternate members of the Commission. A copy of this Resolution is incorporated herewith to these minutes as Exhibit "10."
4. A Resolution directing the City Manager to present a plan to the Governing Body on steps to implement a Verde Fund, and including the benefits, risks and impediments to implementing such a fund in the plan; allocating a percentage of gross receipts taxes to the Verde Fund; requesting an annual appropriation from the Impact Fee Fund; and requiring Finance Committee oversight of any programs funded through the Verde fund.

Mayor Gonzales introduced the following on behalf of Councilor Lindell:

A Resolution vacating the City's ownership of the High Road, and turning over ownership to the Los Lomas Homeowners Association. A copy of this Resolution is incorporated herewith to these minutes as Exhibit "11."

Councilor Dominguez

Councilor Dominguez said Matt Ross owes him a telephone call, and he will get the first Councilor on his schedule for April 16th.

Councilor Dominguez said he has asked staff to make sure to contact the Finance Committee, and then members of the Governing Body, to work out the schedule for budget hearings. If Committee members have conflicts, they need to contact staff, so we can accommodate everyone's schedule.

Councilor Villarreal

Councilor Villarreal said she would like to cosponsor Councilor Lindell's Resolution

Councilor Villarreal thank all of the Councilors that have tried to "on-board me," since there is no orientation process for new Councilors, which should change, and "I'm planning on being part of that solution." She said she owes Matthew O'Reilly a telephone call. She said it is challenging to make decision that you all have been talking about for a year, and to get all the details. She appreciates that Councilor Harris has put something forward which is a good solution, noting it may or may not work.

Councilor Villarreal said like for us to think, in the long term, about Property Taxes as being more progressive.

Councilor Ives

Councilor Ives said he would join as a cosponsor of the matters introduced by the Mayor this evening, and by those introduced by Councilor Maestas.

Councilor Rivera

Councilor Rivera introduced the following:

1. A Resolution supporting the party on the Pitch Soccer Tournament to be held at the Santa Fe Downs, May 21-22, 2016. A copy of this Resolution is incorporated herewith to these minutes as Exhibit "12"
2. A Resolution directing the City of Santa Fe Fire Department to waive EMT standby fees for the Santa Fe Summer Series Equestrian event at the Equicenter de Santa Fe; and authorizing the payment of said fees from a portion of the Lodgers Tax dedicated for Public Safety overtime costs.

Councilor Rivera wished his Father a Happy Birthday, as well as to his wife on April 3rd and his sister on April 5th.

Mayor Gonzales thanked the Council for the great discussion tonight.

I. ADJOURN

The was no further business to come before the Governing Body, and upon completion of the Agenda, the meeting was adjourned at approximately 10:15 p.m.

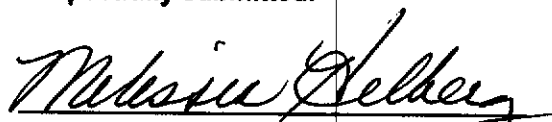
Approved by:


Mayor Javier M. Gonzales

ATTESTED TO:


Yolanda Y. Vigil, City Clerk

Respectfully submitted:


Melessia Helberg, Council Stenographer+

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2016-__
Entrepreneurial Space

Mayor and Members of the City Council:

I propose the following amendment(s) to Resolution No. 2016-__:

1. On page 1, lines 14-15 *delete* "AND RECOMMEND A REVENUE SOURCE FOR USE AS COLLATERAL" and *insert* in lieu thereof "OPPORTUNITIES FOR PRIVATE FINANCING"

Respectfully submitted,

Michael A. Harris, Councilor

ADOPTED: _____

NOT ADOPTED: _____

DATE: _____

Yolanda Y. Vigil, City Clerk

DEFICIT-CLOSING FRAMEWORK

Component	Original	New \$7.8M* (with FC Direction)	FY 2016-17 Alternative(s)
Tax Increase(s)	3.8 <i>(Millions \$'s)</i>	0.0	Cash on hand
Fee Increase(s)	2.5	2.5	2.5
Franchise Fee	4.7	1.5 4.7	0.7 - 1.5
Cuts to Programs & Operations	4.0	4.0	4.0
Re-dedicated GRT	0.0	7.8 0	3.5
Total	15.0	15.0	15.0

Exhibit "2"

THE HUMAN IMPACT PARTNERS

WE DO NOT

FORGET

OUR

VOICE

AND

WE

ARE

NOT

ALONE



August 2015
humanimpact.org

Exhibit "3"

EQUITABLE DEVELOPMENT AND RISK OF DISPLACEMENT

Profiles of Four Santa Fe Neighborhoods EXECUTIVE SUMMARY

Population shifts in cities don't happen by accident. Federal, state, and local decisions all encourage or discourage people's choices of where to live. A city's choices on where to put infrastructure, transit, affordable housing, and other resources significantly influence shifts in population, which can occur unequally across income, race, age, and other demographic characteristics. Where people live – whether by individual choice or influenced by resource allocation – has serious, long-lasting impacts on health and well-being.

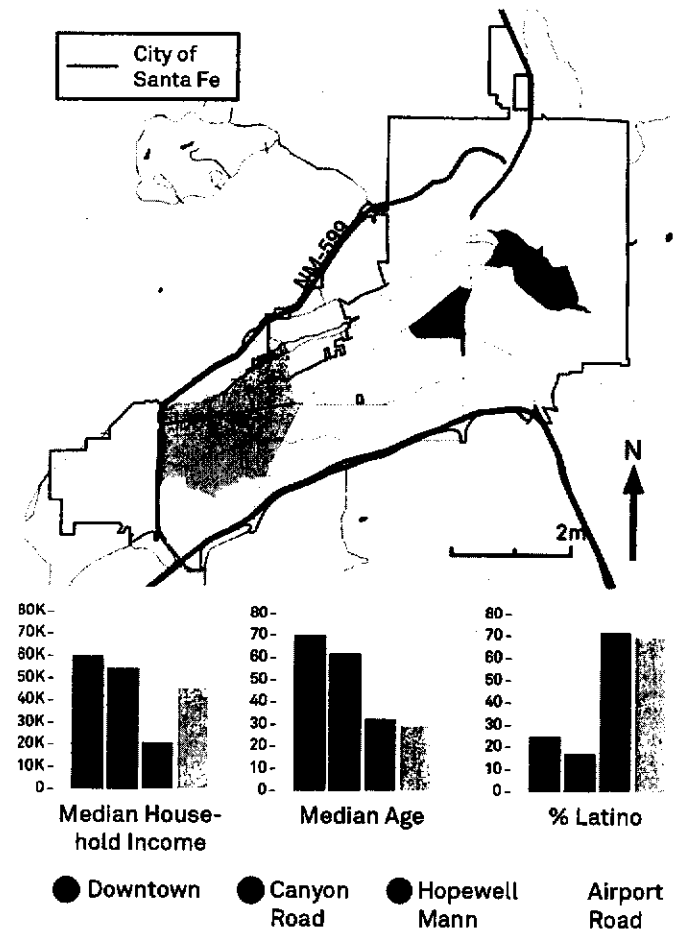
Many Santa Feans are concerned that a significant shift of low-income Latino residents is underway, and that the City's housing and infrastructure decisions are contributing to this shift. To help understand whether this is true, this report describes existing conditions for a number of indicators of gentrification and displacement, and examines public resource investment in four neighborhoods: Downtown, Canyon Road, Hopewell-Mann and the Airport Road corridor. We also conducted two focus groups with residents of Hopewell-Mann and the Airport Road Corridor.

Over the last 50 years, as tourism, the arts, upscale dining and retail transformed the core of Santa Fe, residents who could no longer afford to live close to Downtown moved to the outskirts. To accommodate this migration, the city annexed previously unincorporated territory and new housing developments sprang up. Over time, these changes shifted where and how people live, splintering the city into more distinct – but more stratified – neighborhoods. As a resident of the Airport Road Corridor said in a focus group: “When you get pushed out to these areas, it's already decided – who you are. Because you live here.”

NEIGHBORHOOD DISTINCTIONS

Half of Santa Feans are Latino. But while Hopewell-Mann is almost three-fourths Latino, only about 1 in 6 residents of Canyon Road are Latino. The median annual household income is more than \$60,000 in Downtown and more than \$54,000 in Canyon Road, but only \$21,000 in Hopewell-Mann. The median age in Canyon Road is over 60, but only about half that in both Hopewell-Mann and the Airport Road Corridor.

Figure 1: Santa Fe Profiled Neighborhoods with Age, Latino Population, and Income Levels, 2009-2013



Many other distinctions among the neighborhoods have emerged.

- **Downtown** is primarily a commercial neighborhood. Its small, declining and aging population is mostly white. Downtown residents are less car-dependent, so they walk more. Downtown experienced gentrification and displacement in the 1960s and 1970s, but these trends are not active currently.
- **Canyon Road** enjoys proximity to downtown and is a destination for tourists and “snowbirds.” Housing costs in Canyon Road are higher than in Santa Fe as a whole, but it has the lowest percentage of households that are housing

cost-burdened.* It has the lowest proportion of Latino residents in the city, and since 2000 has become older and whiter. It is not facing the challenges of gentrification and displacement; rather, a challenge is that it is a fairly inaccessible community that others in Santa Fe feel isolated from and unable to enjoy the benefits of.

- **Hopewell-Mann** is a majority renter-occupied and Latino neighborhood. Rents are lower than elsewhere, but over a third of residents are poor and 60 percent are burdened by housing costs. One in four residents are under 18. Proximity to Downtown, a small but growing number of upscale retail amenities, and access to pedestrian and bicycle infrastructure are indicators that may put Hopewell-Mann at risk for gentrification, with subsequent risk of displacement.
- **The Airport Road Corridor**, largest of the four neighborhoods, has had a significant population increase since 2000. It has the city's largest proportion of Latinos and of people 18 and under. Two-thirds of houses are owner-occupied; nearly one-third of houses are mobile homes. Home values and rents are the lowest among the four neighborhoods. Rents are increasing, but the proportion of households that are housing cost-burdened has decreased. Overall, it is a source of relatively affordable housing for Santa Fe's middle and lower income Latino households and for youth. These factors and its distance from Downtown place the Airport Road Corridor at low risk of gentrification and displacement, particularly when compared to Hopewell-Mann.

CURRENT DISTRIBUTION OF RESOURCES

Our analysis focused on four areas of the City's investment in the public resources that shape neighborhoods, influence population shifts, and affect health, but may not always be distributed equitably.

- **Housing.** Housing costs in Santa Fe are higher than in Albuquerque and in New Mexico as a whole. Rents and home prices declined during the recession but are on the rise again. The City has made some significant efforts to provide affordable housing through zoning requirements

and facilitating private developments. Affordable rental housing is clustered in Hopewell-Mann and in the Airport Road Corridor, but there is still not enough supply to meet the demand, spurring some longtime residents to leave the city.

- **Green Space.** Some areas of the city are well-served by parks: Canyon Road has 7 acres of parks per 1,000 residents and Downtown over twice as much. But Hopewell-Mann has less than a third of an acre per 1,000 residents, and the Airport Road Corridor is also poorly served. The City has allocated about 30 percent of available funds from a 2008 parks and trails bond to the city council district where Downtown and Canyon Road are, and almost as much to the Hopewell-Mann council district, but less than 20 percent to the Airport Road Corridor council district (the remainder is in the council district that does not include our profiled neighborhoods). Given the large youth populations in Hopewell-Mann and Airport Road, this is a significant gap.
- **Sidewalks and bike lanes.** Downtown, Canyon Road, and Hopewell-Mann appear to be well-served with sidewalks, but the Airport Road Corridor appears to be lacking. Regional agencies are creating a Pedestrian Master Plan to identify priority projects in all four neighborhoods, but those projects are currently unfunded. City data indicate that Downtown, Canyon Road and Hopewell-Mann also seem well-served by bike lanes. But Hopewell-Mann residents say as a practical matter there is really only one bike lane, and again the Airport Road Corridor is lacking. From one recent bond issue, Airport Road received only 12 percent of bicycle and trail funds, far less than the other three neighborhoods.
- **Bus access.** The city's main travel corridors – such as Cerillos, Agua Fria, St. Francis Drive, and Rodeo Road – seem to have a fairly good network of bus routes. But many Santa Feans have to walk 15 or more minutes from bus stops to their ultimate destination, have a one-hour wait for a bus, and have limited access to public transportation in the evenings. Overall, bus access in Canyon Road and the Airport Road Corridor is limited. This is not a concern for Canyon Road, but because the Airport Road Corridor is farther from downtown jobs and other designations, its residents are highly car-dependent and would benefit from better bus service.

* The U.S. Census Bureau defines housing cost-burden as renters or homeowners who spend 30 percent or more of their income on housing.

A PATH TO MORE EQUITABLE PUBLIC INVESTMENT

Available Santa Fe data shows that there are inequities among the profiled neighborhoods. Residents of the profiled neighborhoods experience vastly different conditions in demographics, housing, and public resources. Across Santa Fe's neighborhoods, displacement and the risk of gentrification are playing out unevenly and inequitably.

Increasing housing costs and declining incomes create a risk of displacement for some residents, particularly Latino and low-income residents of Hopewell-Mann and similar neighborhoods. Residents of Airport Road may not be as exposed to this risk, but this protection may come at the cost of having fewer public resources. In contrast, residents of more affluent neighborhoods such as Downtown and Canyon Road appear largely immune to these risks, all the while experiencing the benefits of public resource investment that low-income, majority Latino neighborhoods do not enjoy to the same degree.

To counter this imbalance, policymakers in Santa Fe should commit to a shared vision and code of ethics for equitable public investment – a set of principles that guide decisions, maintain the integrity of city planning, and hold elected officials accountable. We urge the City to embrace these steps:

- **The Resident's Bill of Rights.** Recently passed by the City Council, the Resident's Bill of Rights resolution identifies five indispensable pillars to ensure equity in public infrastructure investment and land use planning: 1) affordability; 2) quality, sustainability, and health; 3) accessibility, fairness, and equity; 4) stability and protection from displacement; and 5) community control.
- **Racial Equity and Health Assessments.** Conducting assessments of how proposed policies and projects will affect health and equity will help reduce, eliminate, and prevent persistence of racial disparities and divisions in Santa Fe, and improve health for the most vulnerable populations.
- **Community-Wide Affirmative Action.** Governing bodies should enact legislation requiring prioritization of the needs of communities of color for ongoing and new infrastructure, maintenance, and service provision.

- **Monitoring Change.** To achieve progress in planning and programs to address concerns raised in this report, for each neighborhood the City should track the distribution of funding for public resources; residents' participation in planning and economic development decisions; use of existing infrastructure; and the addition of new infrastructure.

Different levels of investment in public resources ultimately have health impacts on stress and anxiety, physical activity, injury, respiratory disease, and access to essential needs such as health care and healthy food. We hope that decision-makers in Santa Fe will take these health impacts into consideration and move forward on these recommendations.

This report was authored by Human Impact Partners with collaboration from Chainbreaker Collective and the New Mexico Health Equity Partnership

Human Impact Partners

Kim Gilhuly, Program Director

Logan Harris, Research Associate

Human Impact Partners works to transform the policies and places people need to live healthy lives by increasing the consideration of health and equity in decision-making.

Chainbreaker Collective

Tomás Rivera, Executive Director

SonyaMaria Martinez, Lead Organizer

Chainbreaker is a membership-based economic and environmental justice organization working to expand access to affordable transportation and sustainable communities for working people in Santa Fe and surrounding areas.

The New Mexico Health Equity Partnership, Santa Fe Community Foundation

María Gallegos, Statewide PLACE MATTERS Coordinator

David Gaussoin, Communications and Development Associate

The purpose of the NMHEP is to strengthen the capacity of New Mexico communities to shift power relations through advocating for systems and policy change that will improve the conditions where children, families, and communities are healthy. This requires addressing structural and institutionalized inequities based on race, class, gender and geography.

Also thanks to:

Santa Fe residents who participated in focus groups; Gabriel de Pablo, interpretation; Thomas Romero, historian; Lili Farhang, Human Impact Partners; Bill Walker, Deadline Now; Naila Siddique, copyeditor; Rosten Woo, graphic design; City of Santa Fe Housing and Community Development; City of Santa Fe GIS Division; Santa Fe Metropolitan Planning Organization

This report was made possible by generous funding from the W.K. Kellogg Foundation.

My name Dionna Tyndall. I am a student, a Santa Fean and a Chainbreaker member. I recently moved from Albuquerque 6 months ago to go to the SF Community College. I am going to get my GED so I can get a good job because I want a better future. And I want that future to be in Santa Fe.

I would not be able to get to school if it weren't for the bus. I depend on the bus. It is my main transportation. I also use the bus to look for a job.

My mother is a hard worker. She is also a bus rider. We depend on the bus to get us to work, school, appointments, run errands. Everywhere. Things would be a lot harder without the bus. We don't have any family or close friends here that we can depend on. Without the bus we would be stranded. We would have to miss important appointments. It would be a lot harder to find a job without the bus. Right now my mom is having medical issues. We've had to go to the ER to get her help. Without the buses, I don't know if we would be able to get her the help that she needs in time.

We don't have stable housing. I've applied to get section 8, but I got put on a waiting list. The wait is 2 years. But I can't wait 2 years. What am I supposed to do for 2 years? I know that the cost of living in Santa Fe is much higher than it is in Albuquerque. But I want to stay here because it is important for my mental health and education. I want to be able to stay in Santa Fe.

The most important thing to me is my education. I am doing everything I can to create a good future, but I need support, not cuts.

I believe I'm not the only one in this situation. I've met lots of people who face the same obstacles. We don't always feel listened to by politicians. We don't want to be invisible. We need to be taken into account during these budget conversations.

I'm here today to ask city council to address the elephant in the room and take people like me into account when decided what to do with the budget.

We are the elephant in the room. And we are too big to ignore!

Thank you.

Exhibit "4"

**WE are the
Elephant in the Room!**



Chainbreaker



CITY COUNCIL MEETING OF
March 30, 2016
BILLS AND RESOLUTIONS SCHEDULED FOR INTRODUCTION
BY MEMBERS OF THE GOVERNING BODY

Mayor Javier Gonzales		
Co-Sponsors	Title	Tentative Committee Schedule
Maestas	<p style="text-align: center;">AN ORDINANCE</p> <p>AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO WATER UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2016 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$75,000,000 FOR THE PURPOSE OF DEFRAYING THE COST OF REFUNDING, PAYING, DEFEASING, DISCHARGING, AND/OR RESTRUCTURING CERTAIN OUTSTANDING WATER UTILITY SYSTEM/CAPITAL OUTLAY GROSS RECEIPTS TAX OBLIGATIONS OF THE CITY; PROVIDING THAT THE BONDS WILL BE PAYABLE AND COLLECTIBLE FROM THE NET REVENUES OF THE CITY'S WATER UTILITY SYSTEM; ESTABLISHING THE FORM, TERMS, MANNER OF EXECUTION AND OTHER DETAILS OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND ESCROW AGREEMENT; APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE BONDS AND THE OUTSTANDING REFUNDED OR RESTRUCTURED WATER UTILITY SYSTEM/CAPITAL OUTLAY GROSS RECEIPTS TAX OBLIGATIONS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE BONDS; AMENDING AND RESTATING ORDINANCE NO. 2006-47; REPEALING ALL ORDINANCES IN CONFLICT HERewith; AND RELATED MATTERS.</p>	<p>Finance Committee - 4/4/16 City Council (request to publish) - 4/13/16 City Council (public hearing) - 5/11/16</p>
Maestas	<p style="text-align: center;">A RESOLUTION</p> <p>AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY TO (1) REFUND AND DEFEASE THE CITY OF SANTA FE, NEW MEXICO'S OUTSTANDING WATER UTILITY SYSTEM/CAPITAL OUTLAY GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2009A (TAX-EXEMPT) AND SERIES 2009B (TAXABLE DIRECT-PAYMENT BUILD AMERICA BONDS) AND (2) AMEND AND RESTRUCTURE THE CITY'S OUTSTANDING 2008 DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT #1475-DW AND 2013 DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT #2696-DW.</p>	<p>Finance Committee - 4/4/16 City Council - 5/11/16</p>

Mayor Javier Gonzales - continued

Co-Sponsors	Title	Tentative Committee Schedule
	A RESOLUTION AMENDING THE SANTA FE FILM COMMISSION TO PROVIDE FOR ALTERNATE MEMBERS OF THE COMMISSION.	City Business Quality of Life Committee - 4/13/16 Finance Committee 4/18/16 City Council - 4/27/16
	A RESOLUTION DIRECTING THE CITY MANAGER TO PRESENT A PLAN TO THE GOVERNING BODY ON STEPS TO IMPLEMENT A VERDE FUND, AND INCLUDING THE BENEFITS, RISKS AND IMPEDIMENTS TO IMPLEMENTING SUCH A FUND IN THE PLAN; ALLOCATING A PERCENTAGE OF GROSS RECEIPTS TAXES TO THE VERDE FUND; REQUESTING AN ANNUAL APPROPRIATION FROM THE IMPACT FEE FUND; REQUIRING FINANCE COMMITTEE OVERSIGHT OF ANY PROGRAMS FUNDED THROUGH THE VERDE FUND.	City Business Quality of Life Committee - 4/13/16 Public Works Committee - 4/25/16 Finance Committee - 5/2/16 City Council - 5/11/16

Councilor Carmichael Dominguez

Co-Sponsors	Title	Tentative Committee Schedule

Councilor Mike Harris

Co-Sponsors	Title	Tentative Committee Schedule

Councilor Peter Ives

Co-Sponsors	Title	Tentative Committee Schedule

Councilor Signe Lindell

Co-Sponsors	Title	Tentative Committee Schedule
	A RESOLUTION VACATING THE CITY'S OWNERSHIP OF THE HIGH ROAD, AND TURNING OVER OWNERSHIP TO THE LOS LOMAS HOMEOWNERS ASSOCIATION.	Planning Commission - 5/5/16 Finance Committee - 5/16/16 City Council - 5/25/16

Councilor Joseph Maestas		
Co-Sponsors	Title	Tentative Committee Schedule
	<p align="center">AN ORDINANCE</p> <p>RELATING TO SECTION 23-5 REGULATIONS FOR THE USE OF THE PLAZA AND PLAZA PARK AND TO SECTION 18-8.9 VEHICLE VENDORS; AMENDING SUBSECTION 23-5.1 TO AMEND THE DEFINITION OF "PLAZA PERIPHERY AREA" AS IT RELATES TO THE VEHICLE VENDOR ORDINANCE TO INCLUDE PORTIONS OF THE CANYON ROAD AREA; AMENDING SUBSECTION 18-8.9 TO CLARIFY THE DEFINITION OF VEHICLE VENDORS TO EXCLUDE TRANSPORTATION SERVICES; AND MAKING SUCH OTHER CHANGES THAT ARE NECESSARY TO CARRY OUT THE PURPOSE OF THIS ORDINANCE.</p>	<p>Public Works Committee - 4/25/16 City Council (request to publish - 4/27/16 City Business Quality of Life Committee - 5/11/16 Finance Committee - 5/16/16 City Council (public hearing) - 5/25/16</p>
	<p align="center">A RESOLUTION</p> <p>AUTHORIZING MOBILE VEHICLE VENDORS WITHIN THE PLAZA PERIPHERY AREA AT SPECIFIC LOCATIONS AND AT LIMITED TIMES, PURSUANT TO THE VEHICLE VENDOR ORDINANCE, 18-8.9 SFCC 1987.</p>	<p>Public Works Committee - 4/25/16 City Business Quality of Life Committee - 5/11/16 Finance Committee - 5/16/16 City Council - 5/25/16</p>
Councilor Chris Rivera		
Co-Sponsors	Title	Tentative Committee Schedule
	<p align="center">A RESOLUTION</p> <p>SUPPORTING THE PARTY ON THE PITCH SOCCER TOURNAMENT TO BE HELD AT THE SANTA FE DOWNS MAY 21-22, 2016.</p>	<p>Parks and Recreation Commission - 4/19/16 Public Works Committee - 4/25/16 Finance Committee - 5/2/16 City Council - 5/11/16</p>
	<p align="center">A RESOLUTION</p> <p>DIRECTING THE CITY OF SANTA FE FIRE DEPARTMENT TO WAIVE EMT STANDBY FEES FOR THE SANTA FE SUMMER SERIES EQUESTRIAN EVENT AT THE EQUICENTER DE SANTA FE; AND AUTHORIZING THE PAYMENT OF SAID FEES FROM A PORTION OF THE LODGERS TAX DEDICATED FOR PUBLIC SAFETY OVERTIME COSTS.</p>	<p>Public Safety Committee - 4/19/16 Finance Committee - 5/2/16 City Council 5/11/16</p>
Councilor Ron Trujillo		
Co-Sponsors	Title	Tentative Committee Schedule

Councilor Renee Villarreal		
Co-Sponsors	Title	Tentative Committee Schedule

Introduced legislation will be posted on the City Attorney's website, under legislative services. If you would like to review the legislation prior to that time or you would like to be a co-sponsor, please contact Jesse Guillen, (505) 955-6518, jbg Guillen@santafenm.gov or Rebecca Seligman at (505) 955-6501, rxseligman@santafenm.gov.

1 CITY OF SANTA FE, NEW MEXICO

2 BILL NO. 2016-__

3 INTRODUCED BY:

4
5 Councilor Joseph M. Maestas

6 Councilor Peter Ives

7
8
9
10 AN ORDINANCE

11 RELATING TO SECTION 23-5 REGULATIONS FOR THE USE OF THE PLAZA AND
12 PLAZA PARK AND TO SECTION 18-8.9 VEHICLE VENDORS; AMENDING
13 SUBSECTION 23-5.1 TO AMEND THE DEFINITION OF "PLAZA PERIPHERY AREA" AS
14 IT RELATES TO THE VEHICLE VENDOR ORDINANCE TO INCLUDE PORTIONS OF
15 THE CANYON ROAD AREA; AMENDING SUBSECTION 18-8.9 TO CLARIFY THE
16 DEFINITION OF VEHICLE VENDORS TO EXCLUDE TRANSPORTATION SERVICES;
17 AND MAKING SUCH OTHER CHANGES THAT ARE NECESSARY TO CARRY OUT
18 THE PURPOSE OF THIS ORDINANCE.

19
20 BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

21 Section 1. Subsection 23-5.1 SFCC 1987 (being Ord. #1990-6, as amended) is
22 amended to read:

23 23-5.1 Definitions.

24 As used in this chapter:

25 A. *Artist/artisan* means a person who designs and creates arts or crafts.

- 1 B. *Artwork* means an object for sale by an artist/artisan.
- 2 C. *Bicycle* means a vehicle with two (2) wheels tandem, a steering handle, a saddle seat,
3 and pedals by which it is propelled.
- 4 D. *Collective* means a nonprofit organization that shares the use of the license among
5 three (3) to seven (7) nonrelated artists/artisans.
- 6 E. *Collective license* means a Plaza Park artist/artisan license issued to a collective.
- 7 F. *Commercial use* means any function or event at which goods, artwork, foodstuffs,
8 merchandise of any kind are offered for sale.
- 9 G. *Community Days Festival* means a city sponsored event promoting the programs and
10 services offered by local nonprofit organizations, performances by multicultural, youth, and school
11 groups and celebrating the diversity of Santa Fe.
- 12 H. *Findings* mean mechanical fittings in a great variety, either commercially available or
13 handmade, used to hold jewelry to the clothing or the person, i.e., ear wires, screw backs, broach pins,
14 chains, gallery bezel wire or hollow beads.
- 15 I. *Handmade* means the design and creation of the artwork from raw materials and its
16 finishing and decoration were accomplished by hand labor and by manually controlled methods that
17 permit the maker to control and vary the construction shape, design and/or finish of each individual
18 piece, but does not exclude the use of findings, hand tools and equipment nor does it exclude the hand
19 assembly of premanufactured components in a creative manner.
- 20 J. *Immediate family* means the spouse, children and stepchildren of a Plaza Park
21 artist/artisan. The city may require proof of relationship for family members.
- 22 K. *Individual license* means a Plaza Park artist/artisan license issued to an individual
23 artist/artisan licensee pursuant to the provisions of subsection 23-5.3 SFCC 1987.
- 24 L. *Machine made* means the producing or reproducing of artwork in mass production by
25 mechanical processes such as stamping, blanking, weaving, molds or offset printing and other

1 printing methods that allow mass production except as allowed by these regulations.

2 M. *Major commercial event* means any commercial use for which the entire Plaza is
3 used.

4 N. *Minor rework* means taking a machine made or mass produced item and making only
5 minor additions or changes to the item.

6 O. *Noncommercial use* means any function or event at which nothing is offered for sale
7 and at which no money or other valuable consideration is exchanged for goods or services. This use
8 includes, but is not limited to, patriotic observances, political rallies, televised news media events and
9 motion picture filming activities.

10 P. *Nonprofit organization* means an organization that is registered as a New Mexico
11 nonprofit organization with the New Mexico Public Regulatory Commission.

12 Q. *Original* means the single, one of a kind, master that can be used as the model for a
13 reproduction.

14 R. *Plaza* means that inclusive area bounded on the north by the north curblin of Palace
15 Avenue running in front of the Palace of the Governors, and on all other sides by the facades of the
16 buildings, excluding portals, or property lines lying to the east, south and west of the Plaza Park as
17 outlined in the map prepared by the city, labeled "Plaza Park Map."*

18 S. *Plaza Park* means that inclusive area bounded by the inside back of the curb
19 surrounding the Plaza as outlined in the map prepared by the city, labeled "Plaza Park Map."*

20 T. *Plaza Park artist/artisan* means an artist/artisan or an artist/artisan represented by a
21 collective issued a Plaza Park artist/artisan license.

22 U. *Plaza Park artist/artisan license* means a license issued to an artist/artisan by the city
23 for the purpose of commercial sales on the Plaza Park.

24 V. *Plaza periphery area* means an area outside the Plaza Park, not including the Plaza
25 Park, bounded by Sandoval and Grant Streets on the west, Alameda Street on the south, Paseo de

1 Peralta on the east and Marcy Street on the north. For the purposes of Subsection 18-8.9 SFCC 1987,
2 the "Vehicle Vendor Ordinance", the Plaza periphery area also means an additional area bounded by
3 Paseo de Peralta on the west, East Alameda Street on the north, East Alameda Street and Camino del
4 Monte Sol on the east, and Canyon Road and Acequia Madre Street on the south. [~~This~~] These areas
5 include[s] both sides of the boundary streets.

6 W. *Plaza pushcart vendor* means a vendor who uses a non-permanent, non-motorized
7 cart, barrow or unit that can be pushed by hand for the purpose of selling food products and is
8 authorized by the city to be located in the Plaza Park, the Plaza, excluding the Plaza Park, or at any
9 location in the Plaza periphery area.

10 X. *Portrait artist* means a person who creates portraits, cartoons, caricatures, or
11 silhouettes.

12 Y. *Portrait artist license* means a Plaza Park artist/artisan license issued to a portrait
13 artist.

14 Z. *Pushcart* means a non-permanent, non-motorized cart, barrow or unit that can be
15 pushed by hand.

16 AA. *Raw materials* mean any material that can be converted by manufacture or processing
17 or a combination of manufacture and processing into a new and useful product.

18 BB. *Recreational object* means any object that can be thrown, kicked or struck, including,
19 but not limited to, balls, frisbees or any object used in game or sport.

20 CC. *Reproduction* means the production of multiples of a single piece, the original or
21 master, applicable to each medium.

22 DD. *Resident of Santa Fe County* means a person whose primary residence is in Santa Fe
23 County. Residency shall be established by any standard identification that proves residency such as a
24 driver's license, passport or voter registration, utility bills or other documentation.

25 EE. *Roller skates or in-line skates* means a shoe with a set of wheels attached for skating

1 over a flat surface.

2 FF. *Rotating license* means a Plaza Park artist/artisan license issued to seven (7)
3 artists/artisans to be used on a rotating basis.

4 GG. *Service animal* means any animal trained to assist mobility of impaired, blind, or deaf
5 people or trained for and actively employed by a police department.

6 HH. *Skateboard* means a narrow board about two feet (2') long mounted on roller skate
7 wheels.

8 II. *Special event* means an event that is permitted by the city pursuant to subsection 18-
9 8.9 SFCC 1987, Section 23-4 SFCC 1987, subsection 23-5.2 SFCC 1987 or resolution of the
10 governing body. (Ord. #2015-13 §5)

11 *Editor's Note: A copy of the Plaza Park Map can be found at the end of this chapter.

12 Section 2. Subsection 18-8.9 SFCC 1987 (being Ord. #2015-13) is amended to read:
13 18-8.9 Vehicle Vendors.

14 A. *Short Title.* This subsection 18-8.9 may be cited as the "Vehicle Vendor Ordinance".

15 B. *Definitions.* As used in this subsection 18-8.9:

16 *Mobile vehicle vendor* means a vehicle vendor that parks at one or more locations within a
17 twenty-four (24) hour period, at each location for a period of three (3) hours or less, or for any period
18 of time during a special event permitted by the city or otherwise authorized by a resolution of the
19 governing body, subject to and in conformance with the provisions of subsections 18-8.9C. and D.

20 *Motorized vehicle* means a licensed and insured motor vehicle as defined by the state of New
21 Mexico motor vehicle division that meets all requirements of the same for operation on public streets
22 and is operated by a licensed driver.

23 *Special event* means an event that is permitted by the city pursuant to subsection 18-8.9
24 SFCC 1987, Section 23-4 SFCC 1987, Subsection 23-5.2 SFCC 1987 or by resolution of the
25 governing body.

1 *Stationary vehicle vendor* means a vehicle vendor that parks at a location for a period of more
2 than three (3) hours within a twenty-four (24) hour period subject to and in conformance with the
3 provisions of subsections 18-8.9C. and E.

4 *Travel trailer* means a licensed and insured travel trailer as defined by the state of New
5 Mexico motor vehicle division that meets all requirements of the same for operation on public streets
6 and is operated by a licensed driver.

7 *Utility trailer* means a licensed and insured utility trailer as defined by the state of New
8 Mexico motor vehicle division that meets all requirements of the same for operation on public streets
9 and is operated by a licensed driver.

10 *Vehicle vendor* means a person who offers for sale food, beverages, merchandise, or services
11 (except transportation services) from a motorized vehicle, from a utility trailer or travel trailer pulled
12 by a motorized vehicle, or from a peddle-operated vehicle.

13 C. *Vehicle Vendors – General Requirements.*

14 (1) In addition to the vendors permitted by the Plaza Pushcart Ordinance and the
15 Santa Fe Plaza Park Artist/Artisan Program Ordinance, vehicle vendor permits may be approved by
16 the city manager or his designee pursuant to the requirements of Section 23-4 SFCC 1987 and this
17 subsection 18-8.9 SFCC 1987.

18 (2) Vehicle vendors shall license or register their businesses with the city
19 pursuant to the requirements of Section 18-1 SFCC 1987 or 18-2 SFCC 1987, as applicable.

20 (3) Each business license or registration application for a vehicle vendor shall
21 state the make, model and license plate number of each vehicle to be used for vending. Only those
22 vehicles listed on the application shall be used for vending.

23 (4) Each vehicle used for vending shall be individually permitted and shall
24 clearly display the corresponding vehicle vendor permit on the outside of the vehicle at all times.

25 (5) A vehicle vendor intending to sell food or beverages shall furnish the city

1 with a valid food establishment permit issued by the state of New Mexico environment department.
2 The food establishment permit shall be clearly displayed on the outside of the vehicle at all times.

3 (6) An annual vehicle vendor fee shall be paid to the city for each vehicle used
4 for vehicle vending pursuant to subsection 18-8.10A SFCC 1987.

5 (7) Vehicle vendors are not permitted in the Plaza, Plaza Park or the Plaza
6 periphery area as defined by Section 23-5 SFCC 1987 unless authorized by resolution of the
7 governing body.

8 (8) Use of loudspeakers or amplification of sound by vehicle vendors is
9 prohibited.

10 (9) Vehicle vendors shall at all times keep the area immediately surrounding the
11 outside of their vehicle free of litter and refuse that originates from vending operations and shall
12 remove litter and refuse that originates from vending operations for proper disposal offsite of the
13 vending location.

14 (10) If after fifteen (15) days written notice from the city to a vehicle vendor of
15 violations of the Santa Fe Municipal Code or state law and the violations are not corrected, then the
16 related vehicle vendor permit(s) shall be revoked by the city manager and the vehicle vendor shall be
17 subject to penalties pursuant to Section 1-3 SFCC 1987. The vehicle vendor may appeal the decision
18 of the city manager to revoke a vehicle vendor permit to the governing body within fifteen (15) days
19 of the revocation.

20 D. *Mobile Vehicle Vendors - Additional Requirements.* In addition to the general
21 requirements of this subsection 18-8.9 SFCC 1987, mobile vehicle vendors are subject to the
22 following requirements:

23 (1) Mobile vehicle vendors are permitted to vend only on public streets or in
24 public parking lots, or on private streets or in private parking lots with the written permission of the
25 property owner;

1 (2) Mobile vehicle vendors shall not vend within or adjacent to the boundaries of
2 city parks during events scheduled by the city unless authorized by the city manager;

3 (3) Mobile vehicle vendors are prohibited from parking for more than three (3)
4 hours per day at any location or within a three hundred (300) foot radius of any location at which they
5 have previously parked during the same day unless the mobile vehicle vendor is participating in a
6 special event permitted by the city and has obtained the written permission of the special event
7 sponsor;

8 (4) Mobile vehicle vendors parked at a metered parking space in any one (1)
9 hour or two (2) parking meter zones, and that pay the meter, may remain at the metered space for up
10 to three (3) hours without violating the posted meter time zone restrictions;

11 (5) Mobile vehicle vendors that sell food or beverages are prohibited from
12 parking within a one hundred fifty (150) foot radius of the street-level entrance of any restaurant
13 during the restaurant's hours of operation unless the mobile vehicle vendor has obtained the written
14 permission of the restaurant owner, or is participating in a special event permitted by the city and has
15 obtained the written permission of the special event sponsor, or is authorized by resolution of the
16 governing body;

17 (6) Use of parking spaces on public streets and public parking lots by mobile
18 vehicle vendors shall be on a first-come-first-served basis. Mobile vehicle vendors shall not reserve
19 parking spaces by the placement of obstructions intended to block parking areas or by engaging other
20 parties to park and hold parking areas for their use;

21 (7) Mobile vehicle vendors parked on public streets or in public parking lots
22 shall park only in single, legal parking spaces designated for parallel parking;

23 (8) Mobile vehicle vendors shall pay all parking fees associated with the
24 locations at which they are parked.

25 (9) The city may temporarily or permanently prohibit the use of all or a portion

1 of any public or private parking area by mobile vehicle vendors if the use of the area adversely affects
2 public safety or the operation of the parking area;

3 (10) The customer service window of a mobile vehicle vendor parked on a public
4 or private street shall face the adjacent sidewalk or edge of roadway;

5 (11) All vending from mobile vehicle vendors shall take place from the vehicle
6 itself. Generators, electrical wiring, menu boards, tables, chairs, tents or other furniture or items
7 associated with the mobile vehicle vendor shall not be placed outside of the vehicle.

8 E. *Stationary Vehicle Vendors - Additional Requirements.* In addition to the general
9 requirements of this subsection 18-8.9, stationary vehicle vendors are subject to the following
10 requirements:

11 (1) Stationary vehicle vendors shall be located only in zoning districts where the
12 type of vending proposed is a permitted use pursuant to Article 14-6 of the City of Santa Fe Land
13 Development Code;

14 (2) Stationary vehicle vendors shall be located only on private property and only
15 with the written permission of the property owner;

16 (3) A stationary vehicle vendor permit shall allow vending at a single location
17 and for the hours of operation and duration of operation approved by the city.

18
19 APPROVED AS TO FORM:

20
21 _____
22 KELLEY A. BRENNAN, CITY ATTORNEY

23
24
25 *M/Legislation/Bills 2016/Plaza Periphery Extension*

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2016-__

INTRODUCED BY:

Councilor Joseph M. Maestas

Councilor Peter Ives

A RESOLUTION

AUTHORIZING MOBILE VEHICLE VENDORS WITHIN THE PLAZA PERIPHERY AREA AT SPECIFIC LOCATIONS AND AT LIMITED TIMES, PURSUANT TO THE VEHICLE VENDOR ORDINANCE, 18-8.9 SFCC 1987.

WHEREAS, on May 13, 2015, the Governing Body adopted Ordinance No. 2015-13 which established the Vehicle Vendor Ordinance, 18-8.9 SFCC 1987; and

WHEREAS, the Vehicle Vendor Ordinance prohibits vehicle vendors within the Plaza Periphery Area, prohibits mobile vehicle vendors from parking for more than three (3) hours at any location, and prohibits mobile vehicle vendors from parking within one hundred fifty (150) feet of the street-level entrance to any restaurant, unless such prohibited activities are authorized by a resolution of the Governing Body; and

WHEREAS, on May 27, 2015 the Governing Body, in accordance with the Vehicle Vendor Ordinance, adopted Resolution No. 2015-55 which authorized mobile vehicle vendors to operate at three (3) specific locations within the Plaza Periphery Area at specific times of day; and

1
2 **WHEREAS**, on _____, 2016 the Governing Body adopted Ordinance No. 2016-__
3 which amended the definition of the Plaza Periphery Area as it relates to the Vehicle Vendor
4 Ordinance to include portions of the Canyon Road area effectively prohibiting vehicle vendors
5 from operating within the newly-defined area; and

6 **WHEREAS**, in addition to those areas previously authorized for mobile vehicle vendors
7 by Resolution No. 2015-55, the Governing Body now desires to authorize mobile vehicle vendors
8 at an additional location within the Plaza Periphery Area.

9 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
10 **CITY OF SANTA FE** that, pursuant to the provisions of 18-8.9(C)(7), effective June 1, 2016
11 mobile vehicle vendors are authorized within the Plaza Periphery Area at the following additional
12 location and at the following times:

13 Locations: One (1) space within the municipal parking lot on Canyon Road as
14 identified on the "PLAZA PERIPHERY AREA (CANYON ROAD) –
15 VEHICLE VENDOR MAP" below.

16 Times: 6:00pm to 2:30am.

17 **BE IT FURTHER RESOLVED** that:

18 (1) City staff shall install parking signs at the locations identified by this resolution.
19 The signs shall state that parking is prohibited by vehicles, other than mobile vehicle vendors,
20 during the times identified above; and

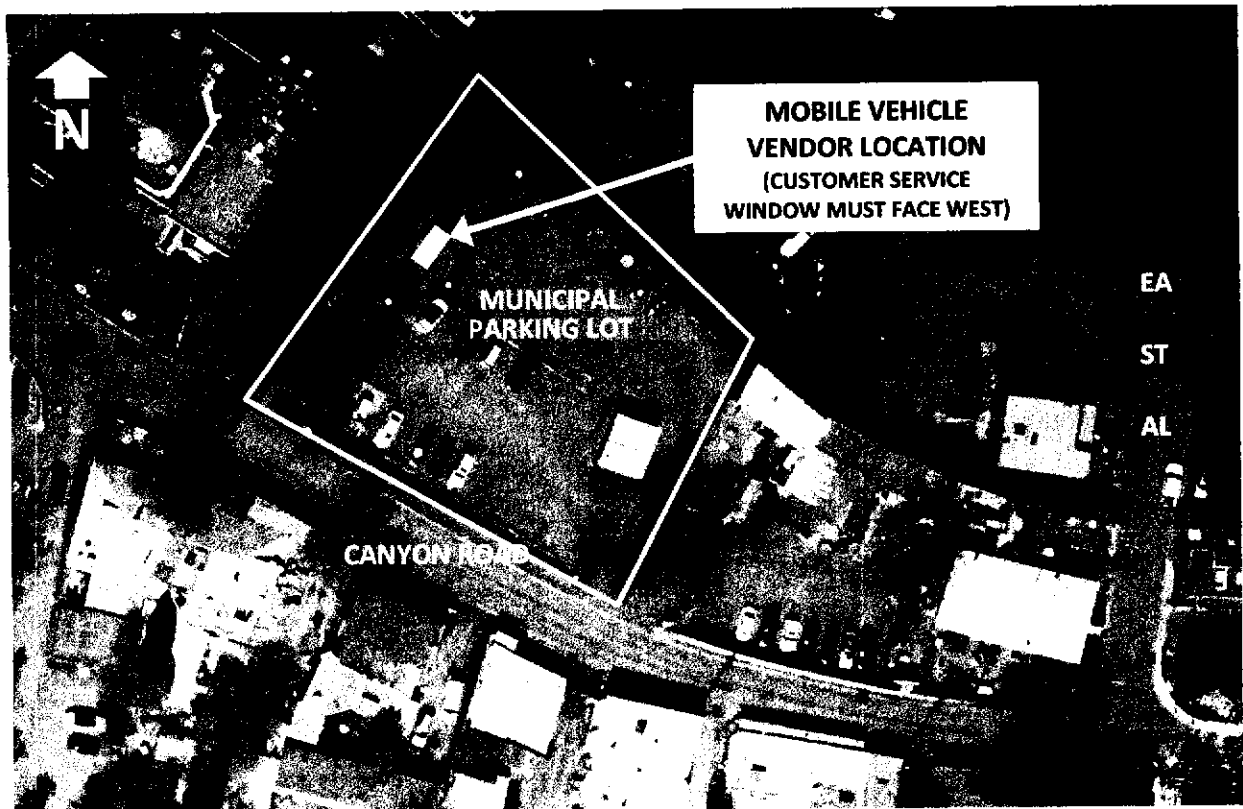
21 (2) Mobile vehicle vendors parked at these locations shall remain in compliance with
22 the Vehicle Vendor Ordinance at all times; and

23 (3) Licensed mobile vehicle vendors shall pay a "Supplemental Plaza Periphery Fee"
24 of \$150.00 in addition to the vehicle vendor license fee to vend at the above location; and

25 (4) The city manager is authorized to adopt administrative procedures for the

1 management and enforcement of the use of the above location should the need arise.

2 **PLAZA PERIPHERY AREA (CANYON ROAD) – VEHICLE VENDOR MAP**



18 PASSED, APPROVED, and ADOPTED this _____ day of _____, 2016.

19

20 _____

21 JAVIER M. GONZALES, MAYOR

22 ATTEST:

23

24 _____

25 YOLANDA Y. VIGIL, CITY CLERK

1 APPROVED AS TO FORM:

2
3
4 KELLEY A. BRENNAN, CITY ATTORNEY

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25 *M/Legislation/Resolutions 2016/Vehicle Vendors on Canyon Road*

CITY OF SANTA FE, NEW MEXICO

BILL NO. 2016-___

INTRODUCED BY:

Mayor Javier M. Gonzales

Councilor Joseph Maestas

Councilor Peter Ives

AN ORDINANCE

AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO WATER UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2016 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$75,000,000 FOR THE PURPOSE OF DEFRAYING THE COST OF REFUNDING, PAYING, DEFEASING, DISCHARGING, AND/OR RESTRUCTURING CERTAIN OUTSTANDING WATER UTILITY SYSTEM/CAPITAL OUTLAY GROSS RECEIPTS TAX OBLIGATIONS OF THE CITY; PROVIDING THAT THE BONDS WILL BE PAYABLE AND COLLECTIBLE FROM THE NET REVENUES OF THE CITY'S WATER UTILITY SYSTEM; ESTABLISHING THE FORM, TERMS, MANNER OF EXECUTION AND OTHER DETAILS OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND ESCROW AGREEMENT; APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE BONDS AND THE OUTSTANDING REFUNDED OR RESTRUCTURED WATER UTILITY SYSTEM/CAPITAL OUTLAY GROSS RECEIPTS TAX OBLIGATIONS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE BONDS; AMENDING

Exhibit "B"

1 **AND RESTATING ORDINANCE NO. 2006-47; REPEALING ALL ORDINANCES IN**
2 **CONFLICT HEREWITH; AND RELATED MATTERS.**

3
4 **WHEREAS**, the City is a legally and regularly created, established, organized and existing
5 municipal corporation under the general laws of the State and is operating as a home rule city
6 pursuant to Article X, Section 6 of the Constitution of the State and the Charter of the City; and

7 **WHEREAS**, the City now owns, operates and maintains a water utility system (the
8 "System"); and

9 **WHEREAS**, pursuant to Ordinance No. 2004-50, passed and adopted by the Council on
10 November 10, 2004, and subsequently approved at an election in the City conducted on March 8,
11 2005, the City imposed a 0.25% Capital Outlay Gross Receipts Tax pursuant to Section 7-19D-12
12 NMSA 1978, effective as of July 1, 2005 (the "Capital Outlay Gross Receipts Tax Revenues"); and

13 **WHEREAS**, the City, pursuant to the Act, intends to issue revenue bonds from time to time
14 to acquire, extend, enlarge, better, repair and otherwise improve or maintain the System; and

15 **WHEREAS**, the City pursuant to the Act and Ordinance No. 2006-47 (the "Master
16 Ordinance"), passed and adopted by the City Council (the "Council") on August 9, 2006, issued its
17 \$49,790,000 City of Santa Fe, New Mexico, Water Utility System/Capital Outlay Gross Receipts Tax
18 Revenue Refunding Bonds, Series 2006D (the "2006D Bonds") with a first lien (but not an exclusive
19 first lien) on the Net Revenues of the System and the Capital Outlay Gross Receipts Tax Revenues;
20 and

21 **WHEREAS**, the City pursuant to the Act, the Master Ordinance and Ordinance No. 2008-19,
22 passed and adopted by the Council on April 9, 2008, entered into a \$15,150,000 Taxable Drinking
23 Water Revolving Fund Loan Agreement, by and between the City and the New Mexico Finance
24 Authority, dated May 16, 2008 (the "2008 Loan") with a subordinate lien (but not an exclusive
25 subordinate lien) on the Net Revenues of the System and the Capital Outlay Gross Receipts Tax

1 Revenues; and

2 **WHEREAS**, the City pursuant to the Act, the Master Ordinance and Ordinance No. 2009-47,
3 passed and adopted by the Council on November 10, 2009, issued its \$18,080,000 Water Utility
4 System/Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009A (Tax-Exempt) (the "2009A
5 Bonds") and \$41,890,000 Water Utility System/Capital Outlay Gross Receipts Tax Revenue Bonds,
6 Series 2009B (Taxable Direct-Payment Build America Bonds) (the "2009B Bonds" and, together
7 with the 2009A Bonds, the "2009 Bonds") with a first lien (but not an exclusive first lien) on the Net
8 Revenues of the System and the Capital Outlay Gross Receipts Tax Revenues on a parity with the
9 2006D Bonds; and

10 **WHEREAS**, the City pursuant to the Act, the Master Ordinance and Ordinance No. 2013-13,
11 passed and adopted by the Council on March 27, 2013, entered into a Drinking Water State
12 Revolving Fund Loan and Subsidy Agreement, by and between the City and the New Mexico Finance
13 Authority, in the maximum principal amount of \$5,050,000 dated May 3, 2013 (the "2013 Loan")
14 with a subordinate lien (but not an exclusive subordinate lien) on the Net Revenues of the System and
15 the Capital Outlay Gross Receipts Tax Revenues on a parity with the 2008 Loan; and

16 **WHEREAS**, except for the outstanding 2006D Bonds, the 2008 Loan, the 2009 Bonds, and
17 the 2013 Loan, there are no obligations presently outstanding to which Net Revenues of the System
18 and the Capital Outlay Gross Receipts Tax Revenues have previously been pledged by the City; and

19 **WHEREAS**, the City desires to restructure and defease the obligations outstanding pursuant
20 to the Master Ordinance and to restate and amend the Master Ordinance to remove the pledge of the
21 Capital Outlay Gross Receipts Tax Revenues and to make other amendments as herein provided;

22 **WHEREAS**, pursuant to a Deposit Agreement between the City and BOKF, NA, as registrar
23 and paying agent for the 2006D Bonds, the City intends to redeem and pay all of the outstanding
24 2006D Bonds on June 1, 2016; and

25 **WHEREAS**, the New Mexico Finance Authority has agreed to amend the 2008 Loan (the

1 "2008 Loan Amendment") and the 2013 Loan (the "2013 Loan Amendment") to remove the pledge
2 of and lien on the Capital Outlay Gross Receipts Tax Revenues; and

3 **WHEREAS**, the Council hereby determines that issuance of the "City of Santa Fe, New
4 Mexico Water Utility System Revenue Refunding Bonds, Series 2016" (the "Series 2016 Bonds") and
5 the application of certain legally available moneys of the City for the purpose of refunding,
6 refinancing, discharging and paying the outstanding 2009 Bonds (the "Refunded Bonds") on and
7 prior to the optional redemption date of June 1, 2019, will eliminate certain restrictive covenants and
8 contractual requirements, will release the pledge of and lien on the Capital Outlay Gross Receipts Tax
9 Revenues, will permit the more effective arrangement of debt service requirements for System Bonds,
10 and will effect other savings and economies, all to the benefit of the City, and consequently will
11 provide for the public health, peace and safety of the City and its citizens; and

12 **WHEREAS**, the City has determined to pay all principal of, interest on and applicable prior
13 redemption premium due in connection with the Refunded Bonds as the same become due at and
14 prior to their optional prior redemption date, from the proceeds of the Series 2016 Bonds herein
15 authorized and from other legally available sources; and

16 **WHEREAS**, the Council hereby determines that the issuance of the Series 2016 Bonds to
17 finance the costs of the Series 2016 Project and the issuance, from time to time, of System Bonds for
18 the purpose of extending, enlarging, bettering, repairing and otherwise improving the System will
19 provide for the public health, peace and safety of the City and its citizens; and

20 **WHEREAS**, the City will pledge certain Net Revenues of the System from the operation of
21 the System for the payment of the Series 2016 Bonds and the System Bonds; and

22 **WHEREAS**, the Council has determined that it is necessary and in the best interests of the
23 City and the residents of the City that the Series 2016 Bonds and other System Bonds be authorized
24 and issued in one or more series pursuant to the Act, or any part of the Act, and, except for the terms
25 of the Series 2016 Bonds which are established in this Master Ordinance, that the specific terms of

each series of System Bonds be specified in a Supplemental Ordinance within the limitations set forth in this Master Ordinance; and

WHEREAS, additional System Bonds may be issued as Parity Bonds or Subordinated Bonds.

BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF SANTA FE:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. *Definitions.* As used in this Master Ordinance and in any Supplemental Ordinance, the following terms have the meanings specified, unless the context clearly requires otherwise:

"*Accretion Term Date*" means the maturity date of a Capital Appreciation Bond or the date on which a Capital Appreciation Bond converts to a Current Interest Bond.

"*Accreted Value*" means, unless stated otherwise in a Supplemental Ordinance, with respect to an Individual Capital Appreciation Bond, an amount equal to the original principal amount of that Capital Appreciation Bond plus the amount, assuming semiannual compounding of earnings, which would be produced on the investment of such original principal amount, beginning on the dated date of that Individual Capital Appreciation Bond and ending at the Accretion Term Date thereof, at an interest rate which, if continued until the Accretion Term Date, will produce the defined value of an Individual Capital Appreciation Bond at the Accretion Term Date. As of any Valuation Date, the Accreted Value of any Capital Appreciation Bond shall mean the amount set forth for such date in the applicable Supplemental Ordinance. As of any date other than a Valuation Date, the Accreted Value shall mean the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (i) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days between the preceding Valuation

1 Date and the next succeeding Valuation Date, and (ii) the difference between the Accreted Values for
2 such Valuation Dates.

3 "*Acquisition Account*" means an account of the Acquisition Fund to be established for each
4 series of System Bonds issued to fund a Project for the purposes stated in Article XIV.

5 "*Acquisition Fund*" means the "City of Santa Fe Water Utility System Revenue Bonds Project
6 Acquisition Fund," established in Article XVII.

7 "*Act*" means Sections 3-31-1 to 3-31-12 NMSA, the Short-Term Interest Rate Act, the powers
8 of the City under authority given by the Charter, the constitution and laws of the State and enactments
9 of the Council relating to the issuance of System Bonds made by resolution or ordinance, including
10 this Master Ordinance and, with respect to a particular series of System Bonds other than the Series
11 2016 Bonds, the Supplemental Ordinance pertaining to that series.

12 "*Authenticating Agent*" means the Registrar, or other Fiscal Agent if otherwise designated by
13 the applicable Supplemental Ordinance, required to authenticate a series of System Bonds.

14 "*Authorized Denominations*" means:

15 (a) with respect to Current Interest Bonds, denominations of \$5,000 or integral
16 multiples of \$5,000;

17 (b) with respect to Capital Appreciation Bonds, the original principal amount on
18 an Individual Capital Appreciation Bond of a series of System Bonds or any integral multiple
19 of that amount unless otherwise specified for a series of System Bonds in the applicable
20 Supplemental Ordinance; and

21 (c) with respect to Variable Rate Bonds, denominations of \$100,000 or integral
22 multiples of \$100,000 unless otherwise specified for a series of System Bonds in the
23 applicable Supplemental Ordinance.

24 "*Authorized Officer*" means the City's Mayor, Manager, Finance Director and Treasurer, or
25 other officer or employee of the City when designated by a certificate signed by the Mayor of the City

1 from time to time.

2 *"Balloon Indebtedness"* means, with respect to any series of System Bonds, twenty-five
3 percent (25%) or more of the principal of which matures on the same date or within a Fiscal Year,
4 that portion of such series of System Bonds which matures on such date or within such Fiscal Year;
5 provided, however, that to constitute Balloon Indebtedness the amount of System Bonds of a series
6 maturing on a single date or within a Fiscal Year must equal or exceed 150% of the amount of such
7 series which matures during any preceding Fiscal Year. For purposes of this definition, the principal
8 amount maturing on any date shall be reduced by the amount of such System Bonds, scheduled to be
9 amortized by prepayment or redemption prior to their stated maturity date.

10 *"Bank"* or *"Insurer"* means any bank, insurance company or other financial institution which
11 provides a Credit Facility or Reserve Account Insurance Policy for a series of System Bonds.

12 *"Bank Bond"* means any System Bond purchased and held by or on behalf of a Bank pursuant
13 to a Credit Facility.

14 *"Bank Interest Rate"* means the interest rate payable on Bank Bonds as set forth in an
15 applicable Supplemental Ordinance for a series of System Bonds.

16 *"Bond Counsel"* means an attorney at law or a firm of attorneys, designated by the City, of
17 nationally recognized standing in matters pertaining to the issuance of bonds by states and their
18 political subdivisions.

19 *"Bond Insurance Policy"* means a municipal bond insurance policy issued by a Bond Insurer
20 insuring the payment when due of the principal of and interest on Insured Bonds.

21 *"Bond Insurer"* means with respect to Insured Bonds or a Reserve Account Insurance Policy,
22 any insurance company or financial institution issuing a Bond Insurance Policy or Reserve Account
23 Insurance Policy and listed in this Master Ordinance or a Supplemental Ordinance.

24 *"Bond Year"* means, unless otherwise specified for a series of System Bonds in the applicable
25 Supplemental Ordinance, the twelve-month period ending on July 1, except that the first Bond Year

1 for each series of System Bonds shall be the period of time from the date of the System Bonds of that
2 series until the next succeeding July 1.

3 "Business Day" means, for a series of System Bonds, any day during which any Bank,
4 trustee, paying agent, remarketing agent and tender agent for that series, the offices of the City and
5 the New York Stock Exchange are all open for business during normal business hours unless
6 otherwise defined in the Supplemental Ordinance for a series of System Bonds.

7 "Capital Appreciation Bonds" means the System Bonds described in a Supplemental
8 Ordinance on which the first scheduled date for payment of principal and/or interest is the Accretion
9 Term Date. For the purposes of (a) receiving payment of the redemption price if a Capital
10 Appreciation Bond is redeemed prior to maturity or (b) determining the principal amount of System
11 Bonds held by the owner of a Capital Appreciation Bond in giving any notice, consent, request or
12 demand pursuant to this Master Ordinance, Supplemental Ordinance or Related Documents for any
13 purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its
14 Accreted Value. For the purpose of the definition of Debt Service Requirements, the Accreted Value
15 of Capital Appreciation Bonds becoming due shall be included in the calculation of accrued and
16 unpaid and accruing interest and principal only from and after the date which is one year prior to the
17 date on which the Accreted Value becomes payable.

18 "Capital Outlay Gross Receipts Tax Revenues" means (1) the monthly distribution of capital
19 outlay gross receipts tax revenues to the City from the New Mexico Department of Taxation and
20 Revenue pursuant to Sections 7-19D-12 and 7-1-6.15 NMSA 1978, which tax is imposed by City
21 Ordinance No. 2004-50 passed and adopted on November 10, 2004 at a rate of 1/4th of one percent of
22 the gross receipts on persons engaging in business in the City and (2) the portion of the gross receipts
23 tax distribution to the City made pursuant to Section 7-1-6.46 NMSA 1978, which represents the
24 capital outlay gross receipts tax revenues that would have been remitted to the City but for the
25 deductions provided by Sections 7-9-92 and 7-9-93 NMSA 1978 and any similar distributions made

1 to the City in lieu of capital outlay gross receipts tax revenues.

2 "Charter" means the home rule charter of the City approved by the voters of the City on
3 December 9, 1997, as amended and supplemented.

4 "City" means the City of Santa Fe in the State of New Mexico.

5 "Code" means the Internal Revenue Code of 1986, as amended, the federal income tax
6 regulations of the Treasury Department (whether proposed, temporary or final) and any amendments
7 of, or successor provision to, the foregoing and any official rulings, announcements, notices,
8 procedures and judicial determinations regarding any of the foregoing, all as and to the extent
9 applicable. Unless otherwise indicated, reference to a Section of the Code in this Master Ordinance
10 means that Section of the Code and such applicable regulations, rulings, announcements, notice,
11 procedures and determinations pertinent to that Section.

12 "Completion Date" means the date of completion of the acquisition, construction and
13 installation of a Project as certified pursuant to Article XIV.

14 "Consultant" means any consultant, consulting firm, engineer, architect, engineering firm,
15 financial advisor, investment banker, accountant or accounting firm or other expert independent and
16 not under the domination of the City and which does not have any substantial interest, direct or
17 indirect, with the City and is not connected with the City as an officer or employee, recognized to be
18 well-qualified for work of the character required and retained by the City to perform acts and carry
19 out the duties provided for such consultant in this Master Ordinance.

20 "Consulting Engineer" means any registered or licensed professional engineer or firm of
21 engineers or Independent Accountant, entitled to practice and practicing as such under the laws of the
22 State, retained and compensated by the City but not in the regular employ of the City; but, as to any
23 construction drawings and specifications prepared for the System by City employees under the
24 supervision of the City Engineer, this term may include the City Engineer.

25 "Cost" or "cost" of a Project means the costs of the City properly attributable to the financing,

1 acquisition, construction, modification or improvement of such Project, and all expenses preliminary
2 and incidental thereto incurred by the City in connection therewith and in connection with the
3 issuance of System Bonds to finance such Project, including but not limited to:

4 (1) the costs of acquiring, constructing, modifying or improving such Project and
5 placing the same in service;

6 (2) the initial or acceptance fee of any Fiscal Agents in connection with the
7 issuance of such System Bonds;

8 (3) such amounts, if any, as shall be necessary to reimburse the City in full for
9 advances and payments previously made or costs previously incurred by the City for any item
10 of Cost of such Project;

11 (4) the costs of obtaining insurance policies, surety bonds or similar devices with
12 respect to such Project during the period of the acquisition and construction of the Project;

13 (5) audit fees and expenses for maintenance of construction records kept with
14 respect to such Project;

15 (6) costs of litigation and costs of obtaining permits, licenses and rulings with
16 respect to such Project;

17 (7) Expenses in connection with the issuance of such System Bonds;

18 (8) the amount, if any, to be deposited into the Acquisition Fund or a Debt
19 Service Account to pay interest on the System Bonds to the Completion Date of the Project
20 and for up to twenty-four months thereafter;

21 (9) the amounts, if any, to provide necessary working capital;

22 (10) the amount, if any, to be deposited into the Reserve Account to satisfy all or
23 a portion of the Reserve Requirement; and

24 (11) any other expenses and costs related to such Project, including the fees and
25 expenses of any Fiscal Agents during the acquisition, construction, modification or

1 improvement of such Project.

2 "*Council*" means the governing body in which is vested the legislative power of the City.

3 "*Counsel*" means an attorney at law (who may be counsel to the City).

4 "*Credit Facility*" or "*Credit Facilities*" means a letter of credit, standby bond purchase
5 agreement, line of credit, Bond Insurance Policy or Reserve Account Insurance Policy, guaranty or
6 similar agreement provided by a Bond Insurer, Bank or Insurer whose senior unsecured debt is rated
7 no lower than the current rating on the applicable System Bonds and whose policies of insurance or
8 other credit facility would not in and of itself adversely affect the rating on the applicable System
9 Bonds by S&P or by Moody's in effect at the time such credit facility is initially entered into,
10 including any substitute therefor, to provide support to pay the purchase price of, or the payment
11 when due of the principal of and interest on, System Bonds and which is approved in a Supplemental
12 Ordinance for a series of System Bonds.

13 "*Current Interest Bonds*" means System Bonds on which interest is payable semiannually or
14 at another regular interval stated in the Supplemental Ordinance for a series of System Bonds and
15 which are not described as Capital Appreciation Bonds in that Supplemental Ordinance.

16 "*Debt Service Account*" means an account of the Debt Service Fund to be established for each
17 series of System Bonds into which deposits are to be made of the payment of Debt Service
18 Requirements on that series of System Bonds.

19 "*Debt Service Fund*" means the Debt Service Fund established in Article XVII.

20 "*Debt Service Requirements*," for any given period, means the sum of: (a) the amount
21 required to pay the interest becoming due on the applicable System Bonds during that period, or to
22 make reimbursements for payments of interest; and (b) the amount required to pay the principal or
23 Accreted Value becoming due on the applicable System Bonds during that period, whether at
24 maturity, the Accreted Term Date or upon mandatory sinking fund redemption dates, or to make
25 reimbursements for payments of that principal or Accreted Value. For purposes of calculating the

1 maximum annual Debt Service Requirements, the following assumptions shall be used:

2 (a) in determining the principal due in each year, payment shall (unless a
3 different subsection of this definition applies for purposes of determining principal maturities
4 or amortization) be assumed to be made on System Bonds in accordance with any
5 amortization schedule established by this Master Ordinance, the Supplemental Ordinance or
6 Related Documents setting forth the terms of such System Bonds, including, as a principal
7 payment, the Accreted Value of any Capital Appreciation Bonds maturing or scheduled for
8 redemption in such year; in determining the interest due in each year, interest payable at a
9 fixed rate shall (except to the extent subsection (b), (c), (d), (e) or (f) of this definition
10 applies) be assumed to be made at such fixed rate and on the required payment dates;

11 (b) if all or any portion or portions of an Outstanding series of System Bonds
12 constitute Balloon Indebtedness, or if all or any portion or portions of a series of System
13 Bonds then proposed to be issued would constitute Balloon Indebtedness, then, for purposes
14 of determining Debt Service Requirements, each maturity which constitutes Balloon
15 Indebtedness shall, unless provision (c) of this definition then applies to such maturity, be
16 treated as if it were to be amortized over a term of 20 years commencing in the year the stated
17 maturity of such Balloon Indebtedness occurs and with substantially level annual debt service
18 payments; the interest rate used for such computation shall be that rate determined by a
19 Consultant to be a reasonable market rate for 20-year fixed-rate System Bonds issued under
20 this Master Ordinance on the date of such calculation, with no credit enhancement and taking
21 into consideration whether such System Bonds bear interest which is or is not excluded from
22 gross income for federal income tax purposes; with respect to any series of System Bonds
23 only a portion of which constitutes Balloon Indebtedness, the remaining portion shall be
24 treated as described in (a) above or such other provision of this definition as shall be
25 applicable and, with respect to any series or that portion of a series which constitutes Balloon

1 Indebtedness, all payments of principal and interest becoming due prior to the year of the
2 stated maturity of the Balloon Indebtedness shall be treated as described in (a) above or such
3 other provision of this definition as shall be applicable;

4 (c) any maturity which constitutes Balloon Indebtedness as described in
5 provision (b) of this definition and for which the stated maturity date occurs within 12 months
6 from the date such calculation is made, shall be assumed to become due and payable on the
7 stated maturity date and provision (b) above shall not apply thereto unless there is delivered
8 to the entity making the calculation a certificate of an Authorized Officer stating that the City
9 intends to refinance such maturity and stating the probable terms of such refinancing and that
10 the debt capacity of the City is sufficient to successfully complete such refinancing; upon the
11 receipt of such certificate, such Balloon Indebtedness shall be assumed to be refinanced in
12 accordance with the probable terms set out in such certificate and such terms shall be used for
13 purposes of calculating Debt Service Requirements, provided that such assumption shall not
14 result in an amortization period longer than or an interest rate lower than that which would be
15 assumed under provision (b) above;

16 (d) if any of the Outstanding series of System Bonds constitute Tender
17 Indebtedness or if System Bonds then proposed to be issued would constitute Tender
18 Indebtedness, then, for purposes of determining Debt Service Requirements, Tender
19 Indebtedness shall be treated as if the principal amount of such System Bonds were to be
20 amortized over a term of 25 years commencing in the year in which such series is first subject
21 to tender and with substantially level annual debt service payments; the interest rate used for
22 such computation shall be that rate determined by a Consultant to be a reasonable market rate
23 for 25-year fixed-rate System Bonds issued under this Master Ordinance on the date of such
24 calculation, with no credit enhancement and taking into consideration whether such System
25 Bonds bear interest which is or is not excluded from gross income for federal income tax

1 purposes; with respect to all principal and interest payments becoming due prior to the year in
2 which such Tender Indebtedness is first subject to tender such payments shall be treated as
3 described in (a) above unless the interest during that period is subject to fluctuation, in which
4 case the interest becoming due prior to such first tender date shall be determined as provided
5 in (e) or (f) below, as appropriate;

6 (e) if any Outstanding System Bonds constitute Variable Rate Bonds (except to
7 the extent subsection (b) or (c) relating to Balloon Indebtedness or (d) relating to Tender
8 Indebtedness applies), the interest rate on such System Bonds and the interest rate for funding
9 any Reserve Requirement for such Variable Rate Bonds shall be assumed to be the lesser of
10 the 30-year Revenue Bond Index (published by The Bond Buyer no more than two weeks
11 prior to date of sale), as certified by the City's financial advisor, the Purchaser of the System
12 Bonds or other investment banker, as designated by the City from time to time or the
13 maximum allowable rate permitted under Section 6.03(b)(i) of this Master Ordinance. The
14 prospective computations of interest payable on Variable Rate Bonds relating to the issuance
15 of additional Parity Bonds required by Article XXIV shall be as described in Article XXIV.
16 The prospective computations of interest payable on Variable Rate Bonds required by the
17 Rate Covenant shall be made on the lesser of the maximum short-term rate prevailing in the
18 preceding twelve months or the maximum allowable rate permitted under Section 6.03(b)(i)
19 of this Master Ordinance;

20 (f) in any computation relating to the issuance of additional System Bonds or the
21 Rate Covenant, there shall be deducted from the computation of the Debt Service
22 Requirements amounts and investments (unless funded by Net Revenues during the
23 applicable period) which are irrevocably committed to make designated payments on System
24 Bonds during the applicable period, including, without limitation, money on deposit in a Debt
25 Service Account for a series of System Bonds, amounts representing capitalized interest for a

1 series of System Bonds and amounts on deposit in an escrow account irrevocably committed
2 to make designated payments on System Bonds during the applicable period;

3 (g) interest or principal being paid for reimbursements of Debt Service
4 Requirements made pursuant to a Credit Facility, if such obligations rank on a parity with the
5 obligation to pay System Bonds, or if a System Bond is a Bank Bond on the date of
6 computation, shall be considered in the computation of Debt Service Requirements; and

7 (h) should the City enter into an interest rate swap contract or its equivalent with
8 respect to all or a portion of any series of System Bonds, the amount of interest required to be
9 paid with respect to that series shall be the interest rate paid by the City under its interest rate
10 swap contract, so as to properly reflect the actual savings of the swap. Any termination or
11 similar fees which may become payable by the City pursuant to such swap contract or its
12 equivalent shall not be considered in the computation of Debt Service Requirements. Such
13 swap contract or its equivalent shall be approved by the New Mexico Board of Finance or
14 any other governmental entity if required by State law.

15 "*Defeasance Obligations*" means to the extent permitted by the laws of the State, for
16 defeasance of the System Bonds pursuant to Article XXXII:

17 (a) Cash

18 (b) U.S. Treasury Certificates, Notes and Bonds (including State and Local
19 Government Series--"SLGS")

20 (c) Direct obligations of the Treasury which have been stripped by the Treasury
21 itself, CATS, TIGRS and similar securities

22 (d) Resolution Funding Corp. (REFCORP) Only the interest component of
23 REFCORP strips which have been stripped by request to the Federal Reserve Bank of New
24 York in book entry form are acceptable.

25 (e) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P.

If, however, the System Bonds are only rated by S&P (e.g., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or "AAA- rated" pre-refunded municipals to satisfy this condition.

(f) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

(i) U.S. Export-Import Bank (Eximbank)

Direct obligations or fully guaranteed certificates of beneficial ownership

(ii) Farmers Home Administration (FmHA)

Certificates of beneficial ownership

(iii) Federal Financing Bank

(iv) General Services Administration

Participation certificates

(v) U.S. Maritime Administration

Guaranteed Title XI financing

(vi) U.S. Department of Housing and Urban Development (HUD)

Project Notes

Local Authority Bonds

New Communities Debentures - U.S. government guaranteed debentures

U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

"*Depository*" means The Depository Trust Company, New York, New York, or such other securities depository as may be designated by an officer of the City.

"*EMMA*" means the Municipal Securities Rulemaking Board's Electronic Municipal Market

1 Access system located on its website at emma.msrb.org.

2 "Escrow Agent" means [BOKF, NA], Albuquerque, New Mexico.

3 "Escrow Agreement" means the escrow agreement relating to the Series 2016 Project among
4 the City and the Escrow Agent.

5 "Escrow Fund" means Escrow Fund established in Article XVII.

6 "Expenses" means the reasonable and necessary fees, costs and expenses incurred by the City
7 with respect to System Bonds and Related Documents, including, without limitation, fees paid to the
8 Credit Facility, Consultant fees, premiums for any Bond Insurance Policy and Reserve Account
9 Insurance Policy, rating agency fees and expenses, the fees, compensation, costs and expenses to be
10 paid to any Fiscal Agent and Escrow Agent and expenses incurred in connection with the sale,
11 issuance, remarketing, payment and administration of any series of System Bonds, including
12 attorneys' fees. Expenses do not include any swap termination payments, payment of or
13 reimbursement for the payment of Debt Service Requirements or premiums on System Bonds.

14 "Fiscal Agent" means any trustee, paying agent, tender agent, registrar, remarketing agent,
15 Bank, Insurer, Bond Insurer or other agent employed with respect to the sale, issuance, remarketing,
16 payment, purchase, administration or otherwise in connection with any series of System Bonds.

17 "Fiscal Agreement" means any remarketing agreement, tender agreement, investment
18 agreement, trust agreement, paying agent agreement, escrow agreement or other document required
19 for the remarketing, purchase, payment, security or administration of any series of System Bonds. A
20 copy of any Fiscal Agreement with respect to a series of Parity Bonds shall be provided to Moody's
21 with a reasonable time for its review, prior to execution and delivery of such Fiscal Agreement by the
22 City.

23 "Fiscal Year" means the twelve-month period beginning on the first day of July of each year
24 and ending on the last day of June of the next succeeding year, or any other twelve-month period
25 which the City or other appropriate authority may establish as the fiscal year for the System.

1 "*Fitch*" means Fitch, Inc., a corporation organized and existing under the laws of the State of
2 New York, its successor and their assigns, and, if such corporation shall not provide a rating for a
3 series of System Bonds, "*Fitch*" shall be deemed to refer to any other nationally recognized securities
4 rating that series of System Bonds.

5 "*Gross Revenues*" means all income and revenues directly or indirectly derived by the City
6 from the operation and use of the System, or any part of the System, and includes, without limitation,
7 all revenues received by the City, or any municipal corporation or agency succeeding to the rights of
8 the City, from the System and from the sale and use of water or water facilities furnished to the
9 inhabitants in the Service Area. Such term also includes:

10 (a) All income derived from the investment of any money in the Acquisition
11 Fund, Income Fund, Debt Service Fund, Reserve Fund and Rate Stabilization Fund and from
12 surplus Net Revenues;

13 (b) Money released from the Rebate Fund to the City;

14 (c) Money released from the Rate Stabilization Fund to the extent that the
15 amount released is used to pay Operation and Maintenance Expenses or Debt Service
16 Requirements on System Bonds in the year released;

17 (d) Property insurance proceeds which are not necessary to restore or replace the
18 property lost or damaged and the proceeds of the sale or other disposition of any part of the
19 System; and

20 (e) Such other amounts that may be designated as Gross Revenues in a
21 Supplemental Ordinance.

22 Gross Revenues do not include:

23 (a) any money received as (i) grants or gifts from the United States of America,
24 the State or other sources or (ii) the proceeds of any charge or tax intended as a replacement
25 therefor or other capital contributions from any source which are restricted as to use;

1 (b) gross receipts taxes, other taxes and/or fees collected by the City and
2 remitted to other governmental agencies; and

3 (c) condemnation proceeds or the proceeds of any insurance policy, except any
4 insurance proceeds derived in respect of loss of use or business interruption.

5 "*Historic Test Period*" means any period of 12 consecutive months out of the 18 calendar
6 months next preceding the delivery of additional Parity Bonds pursuant to Section 24.02.

7 "*Income Fund*" means the "City of Santa Fe Water Utility System Gross Income Fund" which
8 is authorized to be continued in Article XVII.

9 "*Independent Accountant*" means (i) the State Auditor and any accountant working under the
10 supervision and control of the State Auditor, and (ii) any certified public accountant, registered
11 accountant or firm of accountants duly licensed to practice and practicing as such under the laws of
12 the State, appointed and paid by the City who (a) is, in fact, independent and not under the
13 domination of the City, (b) does not have any substantial interest, direct or indirect, with the City, and
14 (c) is not connected with the City as an officer or employee of the City, but who may be regularly
15 retained to make annual or similar audits of the books or records of the City.

16 "*Individual Capital Appreciation Bond*" means a Capital Appreciation Bond having an
17 original principal amount which is payable as to principal and interest at the Accretion Term Date of
18 that Capital Appreciation Bond in the amount of \$5,000 or other amount stated in a Supplemental
19 Ordinance.

20 "*Insured Bank*" means a bank insured by an agency of the United States.

21 "*Insured Bonds*" means a series of System Bonds insured by a Bond Insurance Policy as
22 designated in a Supplemental Ordinance.

23 "*Interest Payment Date*" means June 1 and December 1 of each year (or if such day is not a
24 Business Day, then the next succeeding Business Day) unless otherwise stated in a Supplemental
25 Ordinance for a specified series of System Bonds.

1 "*Master Ordinance*" means this Ordinance, as amending and restating Ordinance No. 2006-
2 47, and as this Ordinance is amended or supplemented from time to time in accordance with its terms.

3 "*Moody's*" means Moody's Investor's Service, a corporation organized and existing under the
4 laws of the State of Delaware, its successors and their assigns, and, if such corporation does not
5 provide a rating for a series of System Bonds, "Moody's" shall be deemed to refer to any other
6 nationally recognized securities rating organization rating that series of System Bonds.

7 "*NMSA*" means New Mexico Statutes Annotated, 1978 Compilation, as amended and
8 supplemented.

9 "*Net Revenues*" means Gross Revenues after deducting Operation and Maintenance
10 Expenses.

11 "*Operation and Maintenance Expenses*" means all reasonable and necessary current expenses
12 of the System, for any particular Fiscal Year or period to which such term is applicable, paid or
13 accrued, related to operating, maintaining and repairing the System, including, without limiting the
14 generality of the foregoing:

15 (a) legal and overhead expenses of the various City departments directly related
16 and reasonably allocable to the administration of the System;

17 (b) insurance premiums for the System, including, without limitation, premiums
18 for property insurance, public liability insurance and workmen's compensation insurance,
19 whether or not self-funded;

20 (c) premiums, expenses and other costs (other than required reimbursements of
21 insurance proceeds and other amounts advanced to pay Debt Service Requirements on
22 System Bonds) for Credit Facilities;

23 (d) Expenses other than Expenses paid from the proceeds of System Bonds;

24 (e) the costs of audits of the books and accounts of the System;

25 (f) amounts required to be deposited in the Rebate Fund;

(g) salaries, administrative expenses, labor costs, surety bonds and the cost of water, materials and supplies used for or in connection with the current operation of the System; and

(h) any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the City's general fund, liabilities incurred by the City as a result of its negligence or other misconduct in the operation of the System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

"Operation and Maintenance Fund" means the "City of Santa Fe Water Utility System Operation and Maintenance Fund" which is authorized to be continued in Article XVII.

"Outstanding" or *"outstanding"* when used in reference to System Bonds means, on any particular date, the aggregate of all such System Bonds issued and delivered under the applicable Supplemental Ordinance authorizing the issuance of such bonds, except:

(a) those cancelled at or prior to such date or delivered to or acquired by the City at or prior to such date for cancellation;

(b) those which have been paid or are deemed to be paid in accordance with the City ordinance authorizing the issuance of the applicable bonds or otherwise relating thereto, provided that the payment of Insured Bonds with the proceeds of a Bond Insurance Policy shall not result in those Insured Bonds ceasing to be Outstanding;

(c) in the case of Tender Indebtedness, bonds deemed tendered but not yet presented for payment; and

(d) those in lieu of or in exchange or substitution for which other bonds shall have been delivered, unless proof satisfactory is presented to the City and the paying agent

1 for the applicable bonds that any bond for which a new bond was issued or exchanged is held
2 by a bona fide holder or in due course.

3 As used in this definition, the term "bond" includes System Bonds and any other evidence of
4 a repayment obligation.

5 "Owner" means the registered owner or owners of any System Bond as shown on the
6 registration books for the applicable series of System Bonds maintained by the Registrar for that
7 series.

8 "Parity Bonds" means System Bonds issued with a lien on the Net Revenues on parity with
9 the Series 2016 Bonds.

10 "Paying Agent" means (a) BOKF, NA for the Series 2016 Bonds and (b) the City Finance
11 Director and Treasurer or any trust company, national or state banking association or financial
12 institution qualified to act and appointed as the paying agent for a series of System Bonds in a
13 Supplemental Ordinance or by an Authorized Officer from time to time.

14 "Permitted Investments" means, unless otherwise stated in the applicable Supplemental
15 Ordinance, any of the following which at the time are legal investments for the City for the money to
16 be invested:

17 (a) Direct obligations of the United States of America (including obligations
18 issued or held in book-entry form on the books of the Department of the Treasury, and CATS
19 and TIGRS) or obligations the principal of and interest on which are unconditionally
20 guaranteed by the United States of America.

21 (b) Bonds, debentures, notes or other evidence of indebtedness issued or
22 guaranteed by any of the following federal agencies and provided such obligations are backed
23 by the full faith and credit of the United States of America (stripped securities are only
24 permitted if they have been stripped by the agency itself);

25 (i) U.S. Export-Import Bank (Eximbank)

1 Direct obligations or fully guaranteed certificates of beneficial
2 ownership.

3 (ii) Farmers Home Administration (FmHA)

4 Certificates of beneficial ownership

5 (iii) Federal Financing Bank

6 (iv) Federal Housing Administration Debentures (FHA)

7 (v) General Services Administration

8 Participation certificates

9 (vi) Governmental National Mortgage Association (GNMA or "Ginnie
10 Mae")

11 GNMA - guaranteed mortgage-backed bonds

12 GNMA - guaranteed pass-through obligations

13 (vii) U.S. Maritime Administration

14 Guaranteed Title XI financing

15 (viii) U.S. Department of Housing and Urban Development (HUD)

16 Project Notes

17 Local Authority Bonds

18 New Communities Debentures - U.S. government guaranteed
19 debentures

20 U.S. Public Housing Notes and Bonds - U.S. government guaranteed
21 public housing notes and bonds

22 (c) Bonds, debentures, notes or other evidence of indebtedness issued or
23 guaranteed by any of the following non-full faith and credit U.S. government agencies
24 (stripped securities are only permitted if they have been stripped by the agency itself):

25 (i) Federal Home Loan Bank System

- 1 Senior debt obligations
- 2 (ii) Federal Home Loan Mortgage Corporation (FILMC or "Freddie
- 3 Mac")
- 4 Participation Certificates
- 5 Senior debt obligations
- 6 (iii) Federal National Mortgage Association (FNMA or "Fannie Mae")
- 7 Mortgage-backed securities and senior debt obligations
- 8 (iv) Student Loan Marketing Association (SLMA or "Sallie Mae")
- 9 Senior debt obligations
- 10 (v) Resolution Funding Corp. (REFCORP) obligations
- 11 (vi) Farm Credit System
- 12 Consolidated systemwide bonds and notes
- 13 (d) Money market funds registered under the Federal Investment Company Act
- 14 of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a
- 15 rating by S&P of AAAM-G; AAAM; or AAM and if rated by Moody's rated Aaa, Aaa1 or Aaa2.
- 16 (e) Certificates of deposit secured at all times by collateral described in
- 17 paragraphs (a) and/or (b) of this definition. Such certificates must be issued by commercial
- 18 banks, savings and loan associations or mutual savings banks. The collateral must be held by
- 19 a third party and the Owners, or the City on behalf of the Owners, must have a perfected first
- 20 security interest in the collateral.
- 21 (f) Certificates of deposit, savings accounts, deposit accounts or money market
- 22 deposits which are fully insured by FDIC, including BIF and SAIF.
- 23 (g) Investment agreements, including GIC's, acceptable to the Bond Insurer for
- 24 any applicable series of System Bonds.
- 25 (h) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and

1 "A-1" or better by S&P.

2 (i) Bonds or notes issued by any state or municipality which are rated by
3 Moody's and S&P in one of the two highest rating categories assigned by such agencies.

4 (j) Federal funds or bankers acceptances with a maximum term of one year of
5 any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime -
6 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

7 (k) Repurchase agreements which provide for the transfer of securities from a
8 dealer bank or securities firm (seller/ borrower) to the City (buyer/lender), and the transfer of
9 cash from the City to the dealer bank or securities firm with an agreement that the dealer bank
10 or securities firm will repay the cash plus a yield to the City in exchange for the securities at a
11 specified date. Repurchase agreements must satisfy the following criteria:

12 (i) Repurchase agreements must be between the City and dealer banks
13 or securities firms which are (A) primary dealers on the Federal
14 Reserve reporting dealer list which are rated "A" or better by S&P
15 and Moody's, or (B) banks rated "A" or above by S&P and Moody's;

16 (ii) The written repurchase contract must include the following: (A)
17 securities which are acceptable for transfer are (1) Direct U.S.
18 governments, or (2) Federal agencies backed by the full faith and
19 credit of the U.S. government (and FNMA & FHLMC) (B) the
20 collateral must be delivered to the City, Paying Agent (if Paying
21 Agent is not supplying the collateral) or third party acting as agent
22 for the Paying Agent (if the Paying Agent is supplying the collateral)
23 before/simultaneous with payment (i.e., perfection by possession of
24 certificated securities); (C) (1) the securities must be valued weekly,
25 marked-to market at current market price plus accrued interest and

(2) the value of collateral must be equal to 104% of the amount of cash transferred by the City to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the City, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%; and

(iii) a legal opinion must be delivered to the City to the effect that the repurchase agreement meets guidelines under State law for legal investment of public funds.

(l) The State Treasurer's short-term investment fund created pursuant to Section 6-10-10.1, NMSA, and operated, maintained and invested by the State Treasurer.

(m) Such other investments as may be hereafter authorized as legal investments for the City by the legislature of the State under Section 6-10-10, NMSA, a similar statutory provision or the home rule powers of the City.

"Project" means properties (real, personal or mixed), facilities, fixtures and equipment which are acquired, constructed, modified or improved to extend, enlarge, improve, repair, replace or equip the System or any portion thereof, including the payment of working capital expenditures and the acquisition of water, water rights or other commodities necessary for the System or the right to receive deliveries in future of water, water rights or other commodities necessary for the System. Each project shall be designated as a "Project" by the City in a Supplemental Ordinance authorizing the issuance of System Bonds to finance the Cost of such Project.

"Purchaser" means _____ with respect to the Series 2016 Bonds and the original purchasers of a series of System Bonds set forth in the Supplemental Ordinance for that

1 series of System Bonds.

2 "Rate Covenant" means the covenant in Section 26.03(b) relating to charging rates for use of
3 the System to pay Debt Service Requirements.

4 "Rate Stabilization Fund" means the Rate Stabilization Fund for System Bonds established in
5 Article XVII.

6 "Rebate Fund" means the Rebate Fund for System Bonds established in Article XVII.

7 "Redemption Date" means June 1, 2018 or such other subsequent date determined by the City
8 on which the Refunded Bonds shall be redeemed.

9 "Record Date" means, unless otherwise stated in a Supplemental Ordinance, (a) with respect
10 to any System Bond with a term or tender period of less than one year, the first Business Day
11 preceding each Interest Payment Date and (b) with respect to any System Bond with a term or tender
12 period of one year or more, the fifteenth day of the calendar month (whether or not a Business Day)
13 preceding each Interest Payment Date.

14 "Refunded Bonds" means the City of Santa Fe, New Mexico, Water Utility System/Capital
15 Outlay Gross Receipts Tax Revenue Bonds, Series 2009A (Tax-Exempt) maturing on and after June
16 1, 2019 and the City of Santa Fe, New Mexico Water Utility System/Capital Outlay Gross Receipts
17 Tax Revenue Bonds, Series 2009B (Taxable Direct-Payment Build America Bonds) maturing on and
18 after June 1, 2019.

19 "Registrar" means (a) BOKF, NA for the Series 2016 Bonds and (b) the City Finance
20 Director and Treasurer or any trust company, national or state banking association or financial
21 institution qualified to act and appointed as the registrar for a series of System Bonds in a
22 Supplemental Ordinance or by an Authorized Officer from time to time.

23 "Related Documents" means the Fiscal Agreements, Credit Facilities, disclosure documents,
24 bond purchase agreements and such other agreements as may be required for one or more series of
25 System Bonds.

1 "*Replacement Fund*" means the Replacement Fund established in Article XVII.

2 "*Reserve Account*" means each account of the Reserve Fund established for any series of
3 outstanding System Bonds with a Reserve Requirement.

4 "*Reserve Account Insurance Policy*" means any policy of insurance, surety bond, letter of
5 credit or other financial instrument issued to the City, the proceeds of which shall be used to prevent
6 deficiencies in the payment of the principal of or interest on a series of System Bonds resulting from
7 insufficient amounts being on deposit in the Debt Service Account for that series of System Bonds to
8 make the payment of principal of and interest on that series as the same become due. Each Reserve
9 Account Insurance Policy shall comply with the terms set forth herein. If the Reserve Account
10 Insurance Policy is in the form of a surety bond, the surety bond must be from an insurance company
11 experienced in insuring municipal bonds whose policies of insurance would not in and of itself
12 adversely affect the rating on System Bonds by Moody's or by S&P in effect at the time such policy is
13 initially deposited in or credited to the reserve account of the applicable System Bonds or, if the
14 Reserve Account Insurance Policy is in the form of a letter of credit, the letter of credit must be from
15 a bank experienced in providing letters of credit whose letter of credit would not in and of itself
16 adversely affect the rating on System Bonds by Moody's or by S&P in effect at the time such letter of
17 credit is issued.

18 "*Reserve Account Insurer*" means any Bond Insurer, Bank or Insurer which issues a Reserve
19 Account Insurance Policy.

20 "*Reserve Fund*" means the Reserve Fund established in Article XVII.

21 "*Reserve Requirement*" means for any series of Parity Bonds for which the City chooses to
22 create a reserve account, and, unless otherwise defined in a Supplemental Ordinance for a series of
23 additional Parity Bonds, an amount equal to the lesser of (i) ten percent (10%) of the Outstanding
24 principal amount of the series of additional Parity Bonds, (ii) the maximum annual Debt Service
25 Requirements on the series of additional Parity Bonds or (iii) 125% of average annual Debt Service

1 Requirements on the series of additional Parity Bonds, in each case calculated on the date of initial
2 issuance of the series.

3 "Series 2006D Bonds" means the "City of Santa Fe, New Mexico, Water Utility
4 System/Capital Outlay Gross Receipts Tax Revenue Refunding Bonds, Series 2006D" issued on
5 August 9, 2006 in the original par amount of \$49,790,000.

6 "Series 2009A Bonds" means the "City of Santa Fe, New Mexico, Water Utility
7 System/Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009A (Tax-Exempt)" issued on
8 November 10, 2009 in the original par amount of \$18,080,000.

9 "Series 2009B Bonds" means the "City of Santa Fe, New Mexico, Water Utility
10 System/Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009B (Taxable Direct-Payment
11 Build America Bonds)" issued on November 10, 2009 in the original par amount of \$41,890,000.

12 "Series 2009 Bonds" means collectively the Series 2009A Bonds and the Series 2009B
13 Bonds.

14 "Series 2016 Escrow Account" means the "City of Santa Fe, New Mexico Water Utility
15 System Revenue Refunding Bonds, Series 2016 Escrow Account," created in Section 17.02.

16 "Series 2016 Bonds" means the "City of Santa Fe, New Mexico Water Utility System
17 Revenue Refunding Bonds, Series 2016" issued pursuant to this Master Ordinance.

18 "Series 2016 Debt Service Account" means the "City of Santa Fe, New Mexico Water Utility
19 System Revenue Refunding Bonds, Series 2016 Debt Service Account", created in Section 17.02.

20 "Series 2016 Interest Account" means the interest sub-account of the Series 2016 Debt
21 Service Account.

22 "Series 2016 Principal Account" means the principal sub-account of the Series 2016 Debt
23 Service Account.

24 "Series 2016 Project" means refinancing, paying and discharging the outstanding principal
25 amount of the Refunded Bonds including the payment of Expenses.

1 "*Series 2016 Rebate Account*" means the account for the deposit of certain amounts that are
2 required to be rebated to the United States Government designated as the "City of Santa Fe, New
3 Mexico Water Utility System Revenue Refunding Bonds, Series 2016 Rebate Account," created in
4 Section 17.02.

5 "*Service Area*" means the customer service area that the City serves by the System.

6 "*Short-Term Interest Rate Act*" means Sections 6-18-1 to 6-18-16 NMSA, as amended and
7 supplemented.

8 "*S&P*" means Standard & Poor's Ratings Group, a division of the McGraw-Hill Companies,
9 Inc., its successors and assigns, and, if such entity shall not provide a rating for a series of System
10 Bonds, "S&P" shall be deemed to refer to any other nationally recognized securities rating
11 organization rating that series of System Bonds.

12 "*State*" means the State of New Mexico.

13 "*Subordinated Bonds*" means all bonds and other obligations of the City hereafter issued with
14 a lien on the Net Revenues subordinate to the lien of Parity Bonds on the Net Revenues.

15 "*Supplemental Ordinance*" means, except with respect to the Series 2016 Bonds which are
16 authorized and issued pursuant to the terms of this Master Ordinance, an ordinance and all
17 resolutions, amendments and supplements relating thereto of the Council adopted prior to the initial
18 issuance and delivery of each series of System Bonds, authorizing the issuance of a series of System
19 Bonds, the sale and administration thereof and approving specific terms with respect to that series of
20 System Bonds.

21 "*System*" means the municipally owned public utility designated as the City's water utility
22 system consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter
23 acquired by the City through purchase, condemnation, construction or otherwise, including all
24 expansions, extensions, enlargements and improvements of or to the water utility system, and used in
25 connection therewith or relating thereto, and any other related activity or enterprise of the City

1 designated by the Council as part of the water utility system, whether situated within or without the
2 limits of the City.

3 "System Bonds" means the Series 2016 Bonds, additional Parity Bonds, Subordinated Bonds
4 and other similar obligations payable solely or primarily from Net Revenues which may from time to
5 time be issued pursuant to this Master Ordinance.

6 "Tender Indebtedness" means any System Bonds or portions of System Bonds a feature of
7 which is an option, on the part of the Owners, or an obligation, under the terms of such System
8 Bonds, to tender all or a portion of such System Bonds to the City or to any Fiscal Agent or other
9 fiduciary or agent or Credit Provider for payment or purchase and requiring that such Bonds or
10 portions of Bonds be purchased if properly presented.

11 "2008 Loan" means the Taxable Drinking Water Revolving Fund Loan Agreement, by and
12 between the City and the New Mexico Finance Authority, dated May 16, 2008 in the original par
13 amount of \$15,150,000.

14 "2013 Loan" means the Drinking Water State Revolving Fund Loan and Subsidy Agreement,
15 by and between the City and the New Mexico Finance Authority, dated May 3, 2013 in the maximum
16 principal amount of \$5,050,000.

17 "Valuation Date" means, unless stated otherwise in a Supplemental Ordinance, each June 1
18 and December 1 while Capital Appreciation Bonds are Outstanding, being the dates on which the
19 Accreted Value of Individual Capital Appreciation Bonds are listed in the applicable Supplemental
20 Ordinance.

21 "Variable Rate Bonds" means System Bonds, including Bank Bonds, and reimbursement
22 obligations pursuant to an advance or draw on a Credit Facility made to pay Debt Service
23 Requirements on System Bonds the interest rate on which is subject to change from time to time.

24 Section 1.02. **Rules of Construction.** For purposes of this Master Ordinance and any
25 Supplemental Ordinance, unless otherwise expressly provided or unless the context requires

otherwise:

(a) Unless otherwise stated in this Master Ordinance or a Supplemental Ordinance, all references in this Master Ordinance or the Supplemental Ordinance to designated Articles and other sections are to the designated Article and other section of this Master Ordinance or Supplemental Ordinance, as applicable.

(b) The words "herein," "hereof," "hereunder" and "herewith" and other words of similar import refer to this Master Ordinance or Supplemental Ordinance, as applicable, as a whole and not to any particular Article or section.

(c) All accounting terms not otherwise defined in this Master Ordinance or a Supplemental Ordinance have the meanings assigned to them in accordance with generally accepted accounting principles.

(d) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(e) The headings used in this Master Ordinance and any Supplemental Ordinance are for convenience of reference only and shall not define or limit the provisions of this Master Ordinance or Supplemental Ordinance.

(f) Terms in the singular include the plural and vice versa.

ARTICLE II

RATIFICATION

All action previously taken (not inconsistent with the provisions of this Master Ordinance) by the Council and the officers of the City, directed toward the authorization, issuance and sale of the System Bonds is ratified, approved and confirmed.

ARTICLE III

FINDINGS

The Council declares that it has considered all relevant information and data and makes the

1 following findings:

2 (a) *Benefit to Public.* The issuance of the System Bonds from time to time under
3 the Act in one or more series and the issuance of the Series 2016 Bonds to refund and defease
4 the Refunded Bonds is necessary and in the interest of the public health, safety and welfare of
5 the residents of the City.

6 (b) *Short-Term Interest Rate Act.* Prior to the issuance of a series of System
7 Bonds governed by the Short-Term Interest Rate Act, appropriate findings shall be made by
8 the Council in a Supplemental Ordinance as required by the Short-Term Interest Rate Act.

9 **ARTICLE IV**

10 **WATER UTILITIES**

11 The municipal water facilities shall constitute a municipally owned water utility (i.e., the
12 System shall be operated and maintained as such).

13 **ARTICLE V**

14 **AUTHORIZATION OF SERIES 2016 PROJECT AND EXPENSES**

15 Section 5.01. *Series 2016 Project.* The Series 2016 Project, and the payment of Expenses,
16 are authorized and approved. The Refunded Bonds shall be defeased by depositing into the Escrow
17 Fund, on or about the date of delivery of the Series 2016 Bonds, proceeds of the Series 2016 Bonds
18 sufficient to pay the principal and interest on the Refunded Bonds until the Redemption Date and to
19 pay the redemption price of the Refunded Bonds on the Redemption Date.

20 Section 5.02. *Debt Service Reserve.* The funding of a Reserve Account with System Bond
21 proceeds, Net Revenues or a Reserve Account Insurance Policy in the amount of the Reserve
22 Requirement, if any, for each series of System Bonds is hereby authorized and approved.

23 **ARTICLE VI**

24 **SYSTEM BONDS; SERIES 2016 BONDS**

25 Section 6.01. *Authorization of System Bonds.* This Master Ordinance has been adopted by

1 the affirmative vote of a majority of all of the members of the Council. For the purpose of protecting
2 the public health, conserving the property, protecting the general welfare and prosperity of the
3 citizens of the City, refunding the Refunded Bonds and financing the Costs of and acquiring,
4 constructing and improving one or more Projects, it is necessary that the City issue, and the City is
5 hereby authorized to issue, pursuant to the Act, its negotiable, fully registered System Bonds in one or
6 more series to be designated "City of Santa Fe, New Mexico Water Utility System Revenue Bonds"
7 with appropriate series and other designations.

8 Section 6.02. ***Series 2016 Bonds.*** There is hereby authorized a series of System Bonds
9 designated as the "City of Santa Fe, New Mexico Water Utility System Revenue Refunding Bonds,
10 Series 2016."

11 Section 6.03. ***Details of System Bonds.***

12 (a) ***General.*** System Bonds shall be issued as fully registered bonds, in
13 Authorized Denominations and numbered with such prefixes or other distinguishing
14 designations as the Registrar may determine necessary or appropriate to distinguish one
15 System Bond of a series from another. Each series of System Bonds shall be dated, have
16 such principal amounts and have such maturity dates (no later than 50 years, or other shorter
17 period of time permitted by law when a series of System Bonds is originally issued, from the
18 date of issuance of that series) as set forth in this Master Ordinance or the applicable
19 Supplemental Ordinance for that series.

20 (b) ***Interest.*** Interest on System Bonds shall be payable at the rates set forth in
21 this Master Ordinance or the applicable Supplemental Ordinance and may be payable on a
22 variable rate bonds or on a fixed rate basis. The interest on each series of System Bonds shall
23 be payable on each Interest Payment Date for that series. System Bonds may be issued as
24 Current Interest Bonds or Capital Appreciation Bonds as set forth in this Master Ordinance or
25 the applicable Supplemental Ordinance or Related Documents in compliance, however, with

1 any applicable limitations established by this Master Ordinance.

2 Unless otherwise stated in a Supplemental Ordinance, each series of System Bonds
3 shall bear interest from the most recent date to which interest has been paid or provided for or
4 if no interest has been paid or provided for from the date of the applicable System Bonds until
5 maturity or until redeemed if called for redemption prior to maturity. Unless otherwise stated
6 in a Supplemental Ordinance, interest on System Bonds will be computed on the basis of a
7 360-day year consisting of twelve 30-day months. If, upon presentation at maturity or for
8 prior redemption, payment of the principal amount or Accreted Value of any System Bond is
9 not made as required by this Master Ordinance, interest on the unpaid principal amount or
10 Accreted Value of such System Bond shall continue to accrue at the interest rate stated or
11 described in that System Bond until the principal amount or Accreted Value of that System
12 Bond is paid in full.

13 Unless otherwise stated in a Supplemental Ordinance of the City adopted by the
14 Council after the date on which this Master Ordinance is adopted:

15 (i) The maximum interest rate and the maximum net effective interest
16 rate on System Bonds issued and delivered on any given date which are governed by
17 the Short-Term Interest Rate Act shall be 20% per annum in the case of Bank Bonds
18 and 15% per annum in the case of other System Bonds. Prior to the issuance of any
19 System Bonds governed by the Short-Term Interest Rate Act the Council, pursuant to
20 a Supplemental Ordinance, shall make the findings required by the Short-Term
21 Interest Rate Act.

22 (ii) The maximum net effective interest rate on System Bonds issued and
23 delivered on any given date which are not governed by the Short-Term Interest Rate
24 Act shall be 12% per annum unless the State Board of Finance approves a higher net
25 effective interest rate in which case the maximum net effective interest rate shall be

1 that approved by the State Board of Finance.

2 (iii) The maximum interest rate and net effective interest rate payable to a
3 Bank pursuant to its Credit Facility shall be 20% per annum.

4 (iv) Any other method of determining an interest rate or cost on System
5 Bonds other than net effective interest rate as used in (ii) and (iii) above may be used
6 in lieu of that term as set forth in the Supplemental Ordinance for a series of System
7 Bonds, if permitted by law.

8 (v) Notwithstanding the right of the City to state maximum interest rates
9 and maximum net effective interest rates other than those set forth in (i) and (iii)
10 above, upon issuance of any Variable Rate Bonds or Tender Indebtedness, the
11 Supplemental Ordinance authorizing issuance of Variable Rate Bonds or Tender
12 Indebtedness shall specify a maximum interest rate payable on Variable Rate Bonds
13 or Tender Indebtedness and the maximum interest rate payable to a Bank or Credit
14 Facility related to such Variable Rate Bonds or Tender Indebtedness.

15 (c) *Priority on Net Revenues.* All System Bonds shall be payable from Net
16 Revenues. After the issuance of the Series 2016 Bonds, additional System Bonds may be
17 issued as Parity Bonds by complying with the requirements for the issuance of additional
18 Parity Bonds set forth in Section 24.02 or Article XXV, as applicable, or as Subordinated
19 Bonds. Subordinated Bonds may be converted to Parity Bonds by the City at any time by
20 resolution or ordinance of the Council upon satisfaction of the conditions for issuing
21 additional Parity Bonds set forth in Section 24.02.

22 (d) *Multiple Modes and Terms.* The System Bonds may be issued in one or
23 more modes with one or more terms for each mode and may be converted from one mode and
24 term to another as provided in the applicable Supplemental Ordinance and Related
25 Documents. The term for any mode shall not terminate later than the final maturity date of

1 the applicable series of System Bonds. System Bonds may be subject to optional and
2 mandatory tender for purchase as set forth in the applicable Supplemental Ordinance and
3 Related Documents.

4 The Supplemental Ordinance or Related Documents shall provide the method, if any,
5 of converting from one mode to another mode. Except as otherwise provided in the
6 applicable Supplemental Ordinance, System Bonds which bear interest at a fixed rate per
7 annum to their maturity date shall not be converted to Variable Rate Bonds. The interest rate
8 on Variable Rate Bonds and the interest rate on System Bonds being converted from Variable
9 Rate Bonds to a fixed rate or from one fixed rate mode or term to another fixed rate mode or
10 term shall be determined as set forth in the applicable Supplemental Ordinance or Related
11 Documents.

12 (e) *Credit Facility.* The City may enter into or obtain a Credit Facility providing
13 for the purchase of, securing or providing for the payment of the principal of and interest on,
14 one or more series, or part of a series, of System Bonds. While any Parity Bonds are subject
15 to optional or mandatory tender by Owners, the City shall have in effect a Credit Facility
16 providing for the payment of the purchase price of Parity Bonds subject to tender which are
17 not remarketed or purchased by the City. Requirements and procedures for any optional or
18 mandatory tender of System Bonds shall be set forth in the applicable Supplemental
19 Ordinance and Related Documents.

20 The terms of any Credit Facility shall be approved by the applicable Supplemental
21 Ordinance or another Council ordinance relating to the applicable System Bonds. Each
22 Credit Facility shall include an index or formula to determine the Bank Interest Rate or other
23 rate of interest to be charged by the Bank, if applicable. The collateral securing payment by
24 the City of its obligations to a Bank shall be limited to the collateral described in Article X.

25 (f) *Other Related Documents.* The City may enter into other Related

1 Documents relating to the sale, issuance, delivery, remarketing, purchase, registration or
2 other administration of the System Bonds and pay reasonable fees and expenses to the Fiscal
3 Agents charged with the administration of the System Bonds and Related Documents.

4 (g) *Interest Rate Swap Contracts.* The City may enter into interest rate swap
5 contracts with respect to a series of System Bonds. The interest rate swap contracts shall be
6 in compliance with the applicable Supplemental Ordinance and the laws of the State
7 governing interest rate swap contracts. Any termination payment payable by the City with
8 respect to an interest rate swap contract will be subordinate to the payment of debt service on
9 Parity Bonds.

10 Section 6.04. *Securities Depository.* One or more series of System Bonds may be issued, in
11 whole or in part, in book-entry form with no physical distribution of bond certificates made to the
12 public. A Depository will act as securities depository for System Bonds issued in book-entry form. A
13 single certificate for each maturity date of those System Bonds will be delivered to the Depository
14 and immobilized in its custody. The book-entry system will evidence ownership of the System Bonds
15 in Authorized Denominations, with transfers of ownership effected on the books of the Depository
16 and its participants ("Participants"). As a condition to delivery of any series of System Bonds in book-
17 entry form, the Purchaser of that series will, immediately after acceptance of delivery thereof, deposit
18 the System Bond certificates with the Depository, registered in the name of the Depository or its
19 nominee. Principal, premium, if any, and interest will be paid to the Depository or its nominee as the
20 registered Owner of System Bonds in book-entry form. The transfer of principal and interest
21 payments to Participants will be the responsibility of the Depository; the transfer of principal and
22 interest payments to the beneficial owners of System Bonds ("Beneficial Owners") by Participants
23 will be the responsibility of such Participants and other nominees of Beneficial Owners maintaining a
24 relationship with Participants ("Indirect Participants"). The City will not be responsible or liable for
25 maintaining, supervising or reviewing the records maintained by the Depository, Participants or

1 Indirect Participants.

2 If (a) a series of System Bonds are not eligible for the services of the Depository, (b) the
3 Depository determines to discontinue providing its services with respect to that series of System
4 Bonds or (c) the City determines that a continuation of the system of book-entry transfers through the
5 Depository ceases to be beneficial to the City or the Owners of a series of System Bonds, the City
6 will either identify another Depository or System Bond certificates for that series will be delivered to
7 Beneficial Owners or their nominees and the Beneficial Owners or their nominees, upon
8 authentication of the System Bonds and registration of those System Bonds in the Beneficial Owners'
9 or nominees' names, will become the Owners of that series of System Bonds for all purposes. In that
10 event, the City shall mail an appropriate notice to the Depository for notification to Participants,
11 Indirect Participants and Beneficial Owners of the substitute Depository or the issuance of System
12 Bond Certificates to Beneficial Owners or their nominees, as applicable.

13 Authorized Officers are authorized to sign agreements with Depositories relating to the
14 matters set forth in this Section 6.04.

15 The terms of this Section 6.04 may be changed with respect to a series of System Bonds by
16 the Supplemental Ordinance relating to those System Bonds.

17 Section 6.05. ***Redemption.***

18 (a) Each series of System Bonds may be subject to optional, mandatory sinking
19 fund and/or extraordinary redemption, in whole or in part, upon the conditions, on the dates
20 and upon payment of the redemption prices set forth in this Master Ordinance, the
21 Supplemental Ordinance or Related Documents for that series.

22 (b) At its option, to be exercised on or before the 45th day next preceding any
23 mandatory sinking fund redemption date, the City may irrevocably elect to (i) deliver to the
24 Paying Agent for cancellation System Bonds of the same series, interest terms and maturity in
25 any aggregate principal amount or Accreted Value and/or (ii) receive a credit in respect to its

1 sinking fund redemption obligation for any System Bonds of the same series, interest terms
2 and maturity which, prior to said date, have been redeemed (otherwise than through the
3 operation of the sinking fund) and cancelled by the Paying Agent and not theretofore applied
4 as a credit against any sinking fund redemption obligation. Each System Bond delivered or
5 previously redeemed shall be credited by the Paying Agent as directed by the City at the
6 principal amount or Accreted Value thereof in Authorized Denominations against the
7 amounts required to be paid by the City on the designated mandatory sinking fund
8 redemption date and the principal amount or Accreted Value of System Bonds to be
9 redeemed by operation of such sinking fund on such date shall be reduced by that principal
10 amount.

11 (c) If less than all of a series of System Bonds subject to redemption are to be
12 redeemed at any one time, the System Bonds of that series to be redeemed, other than System
13 Bonds redeemed pursuant to mandatory sinking fund redemption provisions, shall be selected
14 by the Registrar in the manner determined by the City or as otherwise set forth in the
15 applicable Supplemental Ordinance. However, if less than all System Bonds of a series of a
16 given maturity are redeemed, the System Bonds to be redeemed within that maturity shall be
17 selected by lot in such manner as determined by the Registrar. Part of a System Bond may be
18 redeemed if the amount of that System Bond which remains outstanding is also in an
19 Authorized Denomination.

20 (d) Notice of redemption of System Bonds shall be given by the Registrar by
21 sending a copy of such notice by first-class, postage prepaid mail not less than 30 days prior
22 to the redemption date to the Owner of each System Bond, or portion thereof, to be redeemed
23 at the address shown as of the fifth day prior to the mailing of notice on the registration books
24 kept by the Registrar. Unless waived by the Registrar, the City shall give the Registrar notice
25 of System Bonds to be called for optional or extraordinary redemption at least fifteen (15)

1 days prior to the date that the Registrar is required to give Owners notice of redemption
2 specifying the System Bonds and the principal amount or Accreted Value thereof to be called
3 for redemption and the applicable redemption date. System Bonds to be called for mandatory
4 sinking fund redemption shall be called for redemption by the Registrar without the necessity
5 of any notice to the Registrar from the City. If the City has not designated the System Bonds
6 to be called for redemption on the dates specified above, the Registrar shall select the System
7 Bonds to be redeemed by lot. Neither the City's failure to give such notice, the Registrar's
8 failure to give such notice to the registered Owner of any System Bonds, or any defect
9 therein, nor the failure of the Depository to notify a Participant or any Participant or Indirect
10 Participant to notify a Beneficial Owner of any such redemption, shall affect the validity of
11 the proceedings for the redemption of any System Bonds for which proper notice was given.
12 Notices shall specify the series, number or numbers and maturity date or dates of the System
13 Bonds to be redeemed (if less than all System Bonds of a series are to be redeemed), the
14 principal amounts or Accreted Value of any System Bonds to be redeemed in part, the date
15 fixed for redemption, and shall further state that on such redemption date there will become
16 and be due and payable upon each System Bond or part thereof to be redeemed at the office
17 of the Paying Agent the principal amount or Accreted Value, as applicable, thereof to be
18 redeemed plus accrued interest, if any, to the redemption date and the stipulated premium, if
19 any, and that from and after such date, interest will cease to accrue on those System Bonds.
20 In addition to the foregoing notice, the notice of redemption given by the Registrar shall
21 include such additional information, and the Registrar shall comply with any other terms
22 regarding redemption, as are required by any applicable agreement with a Depository.

23 Notice having been given in the manner provided above, the System Bonds or part
24 thereof called for redemption shall become due and payable on the redemption date
25 designated and, if an amount of money sufficient to redeem all System Bonds called for

1 redemption shall be on deposit with the Paying Agent on the redemption date, the System
2 Bonds or part thereof to be redeemed shall not be deemed to be Outstanding and shall cease
3 to bear or accrue interest from and after such redemption date. Upon presentation of a
4 System Bond to be redeemed at the office of the Paying Agent on or after the redemption
5 date, or, so long as the book-entry system is used for determining beneficial ownership of
6 System Bonds, upon satisfaction of the terms of any other arrangement between the Paying
7 Agent and the Depository, the Paying Agent will pay such System Bond or portion thereof
8 called for redemption.

9 The Registrar shall also send a copy of the notice of redemption by certified mail or
10 by overnight delivery to each Depository and to an Information Service. Failure to provide
11 notice to any Depository or the Information Service shall not affect the validity of
12 proceedings for the redemption of System Bonds.

13 (e) If money or Defeasance Obligations sufficient to pay the redemption price of
14 the System Bonds to be called for redemption are not on deposit with the Paying Agent prior
15 to the giving of notice of redemption pursuant to paragraph (d) of this Section, such notice
16 shall state such System Bonds will be redeemed in whole or in part on the redemption date in
17 a principal amount equal to that part of the redemption price received by the Paying Agent on
18 the applicable redemption date. If the full amount of the redemption price is not received as
19 set forth in the preceding sentence, the notice shall be effective only for those System Bonds
20 for which the redemption price is on deposit with the Paying Agent. If all System Bonds
21 called for redemption cannot be redeemed, the System Bonds to be redeemed shall be
22 selected in a manner deemed reasonable and fair by the City and the Registrar shall give
23 notice, in the manner in which the original notice of redemption was given, that such money
24 was not received and the information required by paragraph (d) of this Section. In that event,
25 the Registrar shall promptly return to the Owners thereof the System Bonds or certificates

1 which it has received evidencing the part thereof which have not been redeemed.

2 (f) The terms of this Section 6.05 may be changed with respect to a series of
3 System Bonds by the Supplemental Ordinance relating to those System Bonds.

4 Section 6.06. ***Payment of System Bonds.*** The principal of and premium, if any, on Current
5 Interest Bonds and the Accreted Value of Capital Appreciation Bonds shall be payable upon
6 presentation and surrender of the System Bonds at the principal office of the Paying Agent at or after
7 their maturity or prior redemption dates. However, if the book-entry system is in effect for a series of
8 System Bonds, an Authorized Officer and the Depository may make other arrangements for the
9 payment of the principal of or Accreted Value and premium, if any, on those System Bonds. Interest
10 on Current Interest Bonds shall be payable by check or draft mailed to the Owners (or by such other
11 arrangement as may be mutually agreed to by the Paying Agent and an Owner) on or before each
12 Interest Payment Date (or if such Interest Payment Date is not a business day, on the next succeeding
13 business day). However, an Owner of Current Interest Bonds with a principal amount of \$1,000,000
14 or more may request interest payments on those System Bonds to be transmitted by wire transfer to an
15 account of the Owner maintained with a commercial bank located within the United States of
16 America if the Owner provides deposit or transfer instructions to the Paying Agent not less than five
17 Business Days prior to the applicable Record Date. The Owner shall be deemed to be that person or
18 entity shown on the registration books for the applicable series of System Bonds maintained by the
19 Registrar at the address appearing in the registration books at the close of business on the applicable
20 Record Date. Interest which is not timely paid or provided for shall cease to be payable to the
21 Owners of the applicable Current Interest Bonds (or of one or more predecessor Current Interest
22 Bonds) as of the Record Date, but shall be payable to the Owners of those Current Interest Bonds (or
23 of one or more predecessor Current Interest Bonds) at the close of business on a special record date
24 for the payment of the overdue interest. The special record date shall be fixed by the Paying Agent
25 and Registrar whenever moneys become available for payment of the overdue interest and notice of

1 the special record date shall be given, by first-class mail, to the Owners of such Current Interest
2 Bonds not less than ten days prior to that date. Payment shall be made in the coin or currency of the
3 United States of America that is at the time of payment legal tender for the payment of public and
4 private debts. If the principal amount or Accreted Value of any System Bond presented for payment
5 remains unpaid at maturity, the unpaid principal or Accreted Value shall bear interest at the rate
6 designated in that System Bond. Interest on Capital Appreciation Bonds shall not compound after the
7 Accretion Term Date. Payments of System Bonds shall be made without deduction for exchange or
8 collection charges. Changes may be made with respect to the payment of principal of, premium, if
9 any, Accreted Value and interest on a series of System Bonds by the Supplemental Ordinance relating
10 to that series of System Bonds.

11 Section 6.07. *Registration, Transfer, Exchange and Ownership of System Bonds.*

12 (a) The City shall cause books for registration, transfer and exchange of each
13 series of System Bonds to be kept at the principal office of the Registrar. Upon surrender for
14 transfer or exchange of any System Bond at the principal office of the Registrar duly
15 endorsed by the Owner or its attorney duly authorized in writing, or accompanied by a
16 written instrument or instruments of transfer or exchange in form satisfactory to the Registrar
17 and properly executed, the City shall execute and the Registrar shall authenticate and deliver
18 in the name of the transferee or Owner, as appropriate, a new System Bond or Bonds of the
19 same series, maturity, interest terms and same aggregate principal amount in Authorized
20 Denominations. Current Interest Bonds may be exchanged and transferred only for other
21 Current Interest Bonds. Capital Appreciation Bonds may be exchanged or transferred only
22 for other Capital Appreciation Bonds.

23 (b) The person in whose name any System Bond is registered shall be deemed
24 and regarded as its absolute Owner for all purposes, except as may otherwise be provided
25 with respect to the payment of interest on Current Interest Bonds in Section 6.06. Payment of

1 either the principal of or interest on any System Bond shall be made only to or upon the order
2 of its Owner or its legal representative. All such payments shall be valid and effectual to
3 satisfy and discharge the liability on System Bonds to the extent of the amount paid.

4 (c) If any System Bond is lost, stolen, destroyed or mutilated, the Registrar shall,
5 upon receipt of that System Bond if mutilated, and the evidence, information or indemnity
6 which the Registrar may reasonably require, authenticate and deliver a replacement System
7 Bond or Bonds of the same series, aggregate principal amount or Accreted Value, maturity
8 and interest terms, bearing a number or numbers not then outstanding. Current Interest
9 Bonds may be replaced only with other Current Interest Bonds. Capital Appreciation Bonds
10 may be replaced only with Capital Appreciation Bonds. If any lost, stolen, destroyed or
11 mutilated System Bond has matured or been called for redemption, the Registrar may direct
12 the Paying Agent to pay that System Bond in lieu of replacement.

13 (d) Exchanges and transfers of System Bonds shall be made without charge to
14 the Owner or any transferee except that the Registrar may make a charge sufficient to
15 reimburse the Registrar for any tax, fee or other governmental charge required to be paid with
16 respect to that transfer or exchange.

17 (e) Except for any System Bond which may be and is tendered for purchase, the
18 Registrar shall not be required to transfer or exchange (i) any System Bond of a series during
19 the five-day period preceding the mailing of notice calling System Bonds of that series for
20 redemption and (b) any System Bond called for redemption.

21 Section 6.08. *Details of Series 2016 Bonds.*

22 (a) *Authorization and Necessity.* For the purposes set forth in this Master
23 Ordinance, to protect the public health, safety and welfare of the residents of the City, it is
24 hereby declared necessary that the City, pursuant to the Act, issue its negotiable, fully
25 registered Series 2016 Bonds to be designated "City of Santa Fe, New Mexico Water Utility

System Revenue Refunding Bonds, Series 2016", in the aggregate principal amount of \$_____ to defray the cost of refunding the Refunded Bonds. The Series 2016 Bonds shall be payable, as to principal and interest and any prior redemption premium, solely from Net Revenues and also, with respect to interest payments on the Series 2016 Bonds, from accrued interest, if any, from the initial sale of the Series 2016 Bonds.

(b) *Details.* The Series 2016 Bonds shall be dated the date of issuance, issued only as fully registered bonds in Authorized Denominations and numbered consecutively with such prefixes or other distinguishing designations as the Registrar may determine necessary or appropriate to distinguish one Series 2016 Bond from another. The Series 2016 Bonds shall bear interest until maturity from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from the date of the Series 2016 Bonds, payable on December 1, 2016 and semiannually thereafter on June 1 and December 1 in each year. The Series 2016 Bonds shall bear interest at the rates per annum and shall mature on June 1 in the years and principal amounts as follows:

<u>Years Maturing</u>	<u>Amounts Maturing</u>	<u>Interest Rates (Per Annum)</u>
2017	\$	%
2018		%
2019		%
2020		%
2021		%
2022		%
2023		%
2024		%
2025		%
2026		%
2027		%
2028		%
2029		%
2030		%
2031		%
2032		%
2033		%
2034		%
2035		%

2036	%
2037	%
2038	%
2039	%

The proceeds of the Series 2016 Bonds shall be allocated to refunding the Refunded Bonds, the Series 2016 Interest Account, and the payment of Expenses all as provided in Section 17.11 hereof.

The Council hereby finds and declares that the net effective interest rate on the Bonds does not exceed the maximum rate of twelve percent (12%) per annum permitted by the laws of the State.

Section 6.09. *Optional Prior Redemption of Series 2016 Bonds.* The Series 2016 Bonds maturing on and after June 1, 20__ are subject to redemption prior to maturity, at the option of the City, in whole or in part, in Authorized Denominations, on June 1, 20__ and on any date thereafter in such order of maturities as the City may determine or, if the City has not designated the maturities of the Series 2016 Bonds to be redeemed, in inverse order of maturities (and by lot if less than all of the Bonds of any maturity is called, such selection by lot to be made by the Registrar). Series 2016 Bonds shall be redeemed pursuant to this paragraph (a) at the redemption prices equal to 100% of the principal amount of the Series 2016 Bonds to be redeemed plus accrued interest, if any to the redemption date

ARTICLE VII

FILING OF SIGNATURES

Prior to the execution of any System Bond pursuant to Sections 6-9-1 to 6-9-6 NMSA, the Mayor and City Clerk may each file with the New Mexico Secretary of State his or her manual signature certified by him or her under oath; provided that filing shall not be necessary for any officer where any previous filing may have legal application to the applicable System Bonds.

ARTICLE VIII

EXECUTION AND CUSTODY OF SYSTEM BONDS

Section 8.01. *Execution.* The System Bonds shall be signed with the facsimile of the signature, or the manual signature, of the Mayor and the manual or facsimile signature of the City Clerk. There shall be placed on each System Bond the printed, engraved, stamped or otherwise placed facsimile or imprint of the City's corporate seal. System Bonds when authenticated and bearing the manual or facsimile signatures of the officers in office at the time of their signing shall be valid and binding obligations of the City, notwithstanding that before delivery of those System Bonds, any or all of the persons who executed those System Bonds shall have ceased to fill their respective offices. The Mayor and City Clerk, at the time of the execution of the System Bonds and the signature certificate, each may adopt as and for his or her own facsimile signature, the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the System Bonds or certificates pertaining to the System Bonds.

Section 8.02. *Custody.* The Authenticating Agent or its designee shall hold in custody all System Bonds signed and attested by the Mayor and City Clerk until ready for delivery to the purchaser, transferee or Owner. The City shall, from time to time, at the written request of the Authenticating Agent, provide the Authenticating Agent an adequate supply of System Bonds.

Section 8.03. *Authentication.* No System Bond shall be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Authenticating Agent. The Authenticating Agent's certificate of authentication shall be deemed to have been duly executed if manually signed by an authorized officer of the Authenticating Agent, but it shall not be necessary that the same officer sign the certificate of authentication on all System Bonds of a series.

ARTICLE IX

NEGOTIABILITY; PREFERENCE

Except as otherwise stated in this Master Ordinance or a Supplemental Ordinance, System

1 Bonds shall be fully negotiable and shall have all the qualities of negotiable paper and the Owners
2 shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the
3 State's Uniform Commercial Code-Investment Securities. Except as otherwise set forth in this Master
4 Ordinance, a Supplemental Ordinance or Related Documents, System Bonds of a series shall in all
5 respects be equally and ratably secured, without preference, priority or distinction on account of the
6 dates or the actual times of the issuance or maturities of the System Bonds of that series.

7 **ARTICLE X**

8 **SPECIAL LIMITED OBLIGATIONS**

9 All of the System Bonds and all payments of principal of, premium, if any, Accreted Value
10 and interest on System Bonds, the purchase price of System Bonds and the fees, costs, expenses and
11 other obligations of the City under the Related Documents, together with the interest accruing
12 thereon, including obligations owed to any Credit Facility provider shall be special limited
13 obligations of the City and shall be payable, collectible and reimbursable solely from Net Revenues,
14 System Bond proceeds and the earnings thereon. However, the City may, subject to the provisions of
15 the Act, in its sole discretion, by Supplemental Ordinance, pledge special fund revenues in addition to
16 Net Revenues, other than ad valorem property tax revenues, to the payment of any series of System
17 Bonds. Owners, the Bond Insurer, the Bank and obligees under the Related Documents may not look
18 to any general or other municipal fund for the payment of the principal of, premium, if any, Accreted
19 Value or interest on such obligations or such fees, costs and expenses, except the designated special
20 funds specifically pledged for that series of System Bonds as set forth in or permitted by this Section.
21 Notwithstanding the foregoing, the City may, in its sole discretion, use any other funds legally
22 available to the City, without having pledged such funds, for the payment of System Bonds. Neither
23 the System Bonds, the Related Documents, nor such costs, fees and expenses of the City shall
24 constitute an indebtedness of the City within the meaning of any constitutional, charter or statutory
25 provision or limitation, nor shall they be considered or held to be general obligations of the City, and

1 each of the System Bonds shall recite that it is payable and collectible solely out of Net Revenues, the
2 proceeds of that series of System Bonds and other specified revenues if pledged by a Supplemental
3 Ordinance, the income from which is so pledged, and that the Owners may not look to any general or
4 other municipal fund for the payment of the principal of, premium, if any, Accreted Value or interest
5 on the System Bonds.

6 **ARTICLE XI**

7 **SALE AND REMARKETING OF SYSTEM BONDS**

8 Section 11.01. *Sale of System Bonds.* Each series of System Bonds shall be sold at a public
9 sale or at a negotiated sale in accordance with a bond purchase agreement to the Purchaser. System
10 Bonds delivered shall be sold at an underwriters' discount, including expenses and fees of the
11 Purchaser and an original issue discount, if any, in accordance with the terms of the Supplemental
12 Ordinance for such series. After the System Bonds of a series have been duly executed and
13 authenticated and, upon receipt of the purchase price for that series, that series of System Bonds shall
14 be delivered to the Purchaser by an Authorized Officer in accordance with the applicable bond
15 purchase agreement. However, if a series of System Bonds is in book-entry form, those System
16 Bonds shall be delivered to the Depository.

17 Section 11.02. *Sale of Series 2016 Bonds.* The Series 2016 Bonds are hereby sold to the
18 Purchaser in accordance with a bond purchase agreement between the City and the Purchaser (the
19 "Series 2016 Bond Purchase Agreement") at the purchase price set forth therein.

20 **ARTICLE XII**

21 **FORMS OF SYSTEM BONDS**

22 Section 12.01. *Forms of System Bonds.* The forms of each series of System Bonds shall be
23 substantially as set forth in the Supplemental Ordinance for that series, with such terms and
24 provisions as are not inconsistent with this Master Ordinance.

25 Section 12.02. *Form of Series 2016 Bonds.* The form of the Series 2016 Bonds shall be

substantially as set forth below:

(Form of Series 2016 Bond)

UNITED STATES OF AMERICA

STATE OF NEW MEXICO

COUNTY OF SANTA FE

No. _____

\$ _____

CITY OF SANTA FE, NEW MEXICO

WATER UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2016

INTEREST RATE	MATURITY DATE	SERIES DATE	CUSIP
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_____ % per annum	June 1, ____	June __, 2016	
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REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Santa Fe (herein "City"), in the County of Santa Fe and State of New Mexico, for value received, hereby promises to pay upon presentation and surrender of this bond, solely from the special funds provided therefor as hereinafter set forth, to the registered owner named above, or registered assigns, on the Maturity Date specified above (unless this bond, if subject to prior redemption, shall have been called for prior redemption in which case on such redemption date), upon the presentation and surrender hereof at the office of BOKF, NA, Albuquerque, New Mexico, or its successor (herein the "Paying Agent"), the Principal Amount stated above, in coin or currency of the United States of America, and to pay to the registered owner hereof as of the Regular Record Date, being the 15th day of the calendar month (whether or not a business day) preceding each regularly scheduled interest payment date as defined in Ordinance No. ____, adopted May 11, 2016, which authorizes this bond (the "Bond Ordinance"), by check or draft mailed to such registered owner, on or

1 before each interest payment date as hereinafter provided (or, if such interest payment date is not a
2 business day, on the next succeeding business day), at his address as it last appears on the Regular
3 Record Date on the registration books kept for that purpose by BOKF, NA, Albuquerque, New
4 Mexico, as registrar (i.e., transfer agent) for the bonds, or its successor (herein the "Registrar"),
5 interest on said sum in coin or currency of the United States of America from the Series Date
6 specified above or the most recent interest payment date to which interest has been fully paid or duly
7 provided for in full (as more fully provided in the Bond Ordinance) until maturity at the per annum
8 Interest Rate specified above, payable on December 1, 2016 and semiannually thereafter on June 1
9 and December 1 in each year. An owner of bonds with a principal amount of \$1,000,000 or more
10 may request interest payments on the bonds to be transmitted by wire transfer to an account of the
11 owner maintained with a commercial bank located within the United States of America if the owner
12 provides deposit or transfer instructions to the Paying Agent not less than five days prior to the
13 applicable record date. Any such interest not so timely paid or duly provided for shall cease to be
14 payable to the registered owner as of the Regular Record Date but shall be payable to the registered
15 owner at the close of business as of a special record date, as further provided in the Bond Ordinance.
16 If the principal amount of this bond remains unpaid after presentation and surrender at maturity,
17 interest hereon shall continue at the rate herein designated until the principal hereof is paid in full. If
18 the Bonds are issued in book-entry only form, an authorized officer of the City and the applicable
19 securities depository ("Depository") may make other arrangements for the payments on the Bonds.

20 The bonds of the series of which this bond is a part maturing on and after June 1, 20__, are
21 subject to redemption prior to maturity at the City's option in one or more units of principal of \$5,000
22 on June 1, 20__ and on any date thereafter in whole or in part, at any time, in such order of maturities
23 as the City may determine or, if the City has not designated the bonds to be redeemed, in inverse
24 order of maturities (and by lot if less than all of the Bonds of any maturity is called, such selection by
25 lot to be made by the Registrar), for the principal amount of each \$5,000 unit of principal so

1 redeemed, at the redemption prices equal to 100% of the bonds or portions thereof to be redeemed
2 plus accrued interest to the redemption date, if any. Redemption shall be made upon mailed notice to
3 each registered owner of each bond selected for redemption as shown on the registration books kept
4 by the Registrar in the manner and upon the conditions provided in the Bond Ordinance.

5 The bonds of the series of which this is one are fully registered (i.e., registered as to payment
6 of both principal and interest), and are issuable in the denomination of \$5,000 or any denomination
7 which is an integral multiple of \$5,000. Upon surrender for transfer or exchange of any of such
8 bonds at the principal office of the Registrar duly endorsed by the owner or its attorney duly
9 authorized in writing or accompanied by a written instrument or instruments of transfer or exchange
10 in form satisfactory to the Registrar and properly executed, such bond may be transferred or
11 exchanged for an equal aggregate principal amount of such bonds of the same maturity of other
12 authorized denominations, subject to such terms and conditions as set forth in the Bond Ordinance.

13 The City and the Registrar and Paying Agent may deem and treat the person in whose name
14 this bond is registered as the absolute owner hereof for the purpose of making payment and for all
15 other purposes, except as may otherwise be provided with respect to the payment of interest.

16 This bond is one of a series of bonds designated "City of Santa Fe, New Mexico Water Utility
17 System Revenue Refunding Bonds, Series 2016," of like tenor and date, except as to interest rate,
18 number and maturity, authorized for the purposes of refunding the City's outstanding Water Utility
19 System/Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009A (Tax-Exempt) and the
20 City's outstanding Water Utility System/Capital Outlay Gross Receipts Tax Revenue Bonds, Series
21 2009B (Taxable Direct-Payment Build America Bonds) related to the City's water utility system (the
22 "System"), as set forth in the Bond Ordinance.

23 This bond is issued pursuant to and in strict compliance with the Constitution and laws of the
24 State of New Mexico.

25 This bond does not constitute an indebtedness of the City within the meaning of any

1 constitutional, charter or statutory provision or limitation, shall not be considered or be held to be a
2 general obligation of the City, and is payable and collectible solely out of the City's Net Revenues (as
3 defined in the Bond Ordinance) of the System pursuant to the pledge made by and as defined in the
4 Bond Ordinance, which revenues are so pledged; and the holder of this bond may not look to any
5 general or other municipal fund for the payment of the principal of, premium, if any, or interest on
6 this obligation, except the special funds pledged therefor. For a description of the funds, the nature
7 and extent of the security afforded thereby for the payment of the principal of and interest on the
8 bonds, and other details concerning the bonds, reference is made to the Bond Ordinance. The bonds
9 of the series of which this bond is one are equally and ratably secured by a lien on the Net Revenues;
10 the bonds of the series of which this bond is one constitute an irrevocable lien, but not necessarily an
11 exclusive lien, upon the Net Revenues. System bonds, in addition to the series of which this bond is
12 one, may be issued for System purposes and made payable from the Net Revenues having a lien
13 thereon inferior and junior to the lien or, subject to designated conditions, having a lien thereon on a
14 parity with the lien of the bonds of the series of which this bond is one, in accordance with the
15 provisions of the Bond Ordinance.

16 The City covenants and agrees with the registered owner of this bond and with each and
17 every person who may become the registered owner hereof that it will keep and perform all of the
18 covenants of the Bond Ordinance.

19 This bond is subject to the conditions, and every registered owner hereof by accepting the
20 same agrees with the obligor and every subsequent registered owner hereof, that the principal of and
21 the interest on this bond shall be paid, and this bond is transferable, free from, and without regard to,
22 any equities between the obligor and the original or any intermediate registered owner hereof for any
23 setoffs or cross-claims.

24 It is further certified, recited and warranted that all the requirements of law have been fully
25 complied with by the City Council and officers of the City in the issuance of this bond; and that it is

issued pursuant to and in strict conformity with the Constitution and laws of the State of New Mexico, and particularly the terms and provisions of Sections 3-31-1 through 3-31-12, NMSA 1978, as amended, and all laws thereunto enabling and supplemental thereto.

This bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication herein.

IN WITNESS WHEREOF, the City of Santa Fe has caused this bond to be signed, subscribed, and executed and attested with the signatures of its Mayor and its City Clerk, respectively; and has caused its corporate seal to be affixed on this bond, all as of the Series Date.

APPROVED AS TO FORM:

KELLEY A. BRENNAN, CITY ATTORNEY

(Form of Registrar's Certificate of Authentication)

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This is one of the bonds described in the within-mentioned Bond Ordinance, and this bond has been duly registered on the registration books kept by the undersigned as Registrar for such Bonds.

BOKF, NA

as Registrar

By: _____

Authorized officer

(End of Form of Registrar's Certificate of Authentication)

(Form of Assignment)

ASSIGNMENT

For value received, _____
hereby sells, assigns and transfers unto _____ the within bond and hereby irrevocably
constitutes and appoints _____ attorney, to transfer the same on the books of the
Registrar, with full power of substitution in the premises.

Signature Guaranteed: _____

Name and Address of Transferee

Dated: _____

Social Security Number or other

Tax Identification Number

(End of Form of Assignment)

(End of Form of Series 2016 Bond)

ARTICLE XIII

PERIOD OF SYSTEM'S USEFULNESS

The period of usefulness of the projects funded with the proceeds of the Refunded Bonds is in
excess of the final maturity date of the Series 2016 Bonds.

ARTICLE XIV

USE OF PROCEEDS; PROJECT COMPLETION; PURCHASERS NOT RESPONSIBLE

Section 14.01. *Proceeds, Project Completion.*

(a) Proceeds from the sale of the Series 2016 Bond shall be deposited as

1 provided in Section 17.11. Proceeds from the sale of a series of System Bonds shall be
2 deposited as follows:

3 (i) The proceeds of a series of System Bonds designated for the
4 payment of interest on that series may be deposited in the Acquisition Account or the
5 Debt Service Account for that series of System Bonds (if such System Bonds are
6 Parity Bonds) or comparable accounts established by Supplemental Ordinance for a
7 series of Subordinated Bonds. Money on deposit in an Acquisition Account for the
8 payment of interest on a series of System Bonds shall be transferred to the Debt
9 Service Account for that series (or comparable account for a series of Subordinated
10 Bonds) in the amounts, and prior to the due dates, of the interest payments to be
11 made on that series of System Bonds.

12 (ii) Proceeds of a series of System Bonds may be used to satisfy all or
13 part of the Reserve Requirement for that series of System Bonds by depositing
14 proceeds of that series in the Reserve Account for that series (if such System Bonds
15 have a Reserve Account and Reserve Requirement) or comparable account
16 established by Supplemental Ordinance for a series of Subordinated Bonds.

17 (iii) If System Bonds are issued to refund Outstanding System Bonds,
18 proceeds from the sale of the refunding System Bonds shall be deposited in an
19 escrow fund or account established for the payment of the System Bonds to be
20 refunded, may be used to pay Expenses relating to the refunding or the refunded
21 System Bonds, and for such other purposes relating to the refunding or incidental to
22 the issuance or administration of the refunding System Bonds as are permitted in this
23 Master Ordinance or the applicable Supplemental Ordinance.

24 (iv) The balance of the proceeds shall be deposited in the Acquisition
25 Account established for that series and applied to the Project for which that series

1 was issued, for the payment of Expenses of or relating to System Bonds and for any
2 other purpose related to the Project or incidental to the issuance or administration of
3 System Bonds permitted in this Master Ordinance or applicable Supplemental
4 Ordinance. Earnings on amounts on deposit in an Acquisition Account may be used
5 to pay costs of the Project or, with the prior approval from Bond Counsel, Debt
6 Service Requirements on the System Bonds for which the Acquisition Account was
7 established.

8 (b) The Completion Date for the part of the Project financed by the issuance of a
9 series of System Bonds shall be evidenced by a certificate signed by the director of the
10 System or other City official responsible for the System stating that the part of the Project
11 being funded by that series of System Bonds has been completed. As soon as practicable,
12 and in any event not more than 60 days after the Completion Date of the part of the Project
13 for which a series of System Bonds was issued, any balance remaining in the Acquisition
14 Account established for that part of the Project (other than any amount retained by the City
15 for costs of that part of the Project not then due and payable) shall be used by the City for the
16 payment of the principal of or interest next coming due on the System Bonds issued to
17 finance that part of the Project or as otherwise provided in the applicable Supplemental
18 Ordinance.

19 Section 14.02. *Purchasers Not Responsible For Use of Proceeds.* Purchasers of System
20 Bonds shall not be responsible for the application or use by the City of the proceeds of System Bonds.

21 ARTICLE XV

22 SUFFICIENCY OF ESCROW

23 The proceeds of refunding System Bonds, together with any other money of the City
24 available to pay principal of, premium, if any, and interest on System Bonds being refunded,
25 deposited in an escrow fund or account established to refund outstanding System Bonds shall be

1 sufficient to pay when due the principal of, premium, if any, and interest on the System Bonds to be
2 refunded. The escrow agent shall invest the money on deposit in the escrow fund or account as
3 permitted in the Supplemental Ordinance and the escrow agreement pertaining to the refunding
4 System Bonds. The investment obligations held by the escrow agent shall mature at such times as are
5 necessary to insure the prompt payment of the principal of, premium, if any, and interest on the
6 System Bonds to be refunded as they become due and such obligations shall not permit the
7 redemption thereof at the option of the issuer of such obligations.

8 **ARTICLE XVI**

9 **APPROVAL AND USE OF DOCUMENTS**

10 Section 16.01. **Council Approval.** Prior to the issuance of any series of System Bonds,
11 documents necessary for the award of such series of System Bonds to the best bidder therefore at a
12 public sale, the private placement of such series of System Bonds or a bond purchase agreement, and
13 a preliminary disclosure document or form of final disclosure document and, to the extent applicable
14 to a series of System Bonds, an escrow agreement, Credit Facility or trust agreement, with terms
15 which are not inconsistent with the terms of this Master Ordinance and the applicable Supplemental
16 Ordinance, shall be submitted to the Council for approval or ratification. Other Related Documents
17 with terms which are consistent with this Master Ordinance and Supplemental Ordinance may be
18 approved by an Authorized Officer. An Authorized Officer may consent to any changes in Related
19 Documents as are not inconsistent with this Master Ordinance and applicable Supplemental
20 Ordinance. With respect to any series of System Bonds, an Authorized Officer is:

21 (a) authorized to execute a bond purchase agreement, subject to either prior
22 approval or effective upon ratification by the Council, with terms of the applicable System
23 Bonds and of the sale to the Purchaser of the System Bonds within the parameters set forth in
24 this Master Ordinance and any applicable Supplemental Ordinance; and

25 (b) if applicable, authorized to execute and deliver such documents as may be

1 required for tax compliance purposes and to enable the Purchaser to comply with applicable
2 securities law requirements; and

3 (c) authorized and directed to execute and deliver, either in printed or electronic
4 format, disclosure documents, Related Documents and other documents to which the City is a
5 party or which the City is required to execute and any extension of or changes or amendments
6 thereto or any substitutions therefor approved by the Authorized Officer substantially in the
7 form presented to the Council, if applicable, and which are not inconsistent with this Master
8 Ordinance and any applicable Supplemental Ordinance. The execution of a Related
9 Document by an Authorized Officer, or any extensions thereof or substitutions therefor, in its
10 final form shall constitute conclusive evidence of the Authorized Officer's approval of that
11 Related Document and compliance with this Section. The City Clerk is authorized to fix the
12 seal of the City to and to attest any Related Documents, as required.

13 Section 16.02. ***Further Acts.*** From and after the adoption of this Master Ordinance, the
14 officers, agents, attorneys and employees of the City are authorized, empowered and directed to do all
15 such acts and things and to execute all such documents as may be necessary to carry out and comply
16 with the provisions of this Master Ordinance, any Supplemental Ordinance and any Related
17 Document.

18 Section 16.03. ***Use of Disclosure Documents.*** The Purchaser of each series of System
19 Bonds is authorized to use the disclosure documents relating to that series of System Bonds in
20 connection with the offering and sale of that series.

21 Section 16.04. ***Approval of Related Documents for the Series 2016 Bonds; Authority of***
22 ***Authorized Officers.*** The form, terms and provisions of the Series 2016 Bond Purchase Agreement
23 between the City and the Purchaser, a continuing disclosure undertaking within the meaning of
24 Securities and Exchange Commission Rule 15c-2(12)(b)(5) (the "Series 2016 Continuing Disclosure
25 Undertaking"), a preliminary official statement dated May __, 2016 (the "Series 2016 Preliminary

1 Official Statement"), a final official statement dated May 11, 2016 (the "Series 2016 Official
2 Statement"), the Amendment to the 2008 Loan Agreement, the Amendment to the 2013 Loan
3 Agreement, and an Escrow Agreement between the City and the Escrow Agent, in the forms
4 presented at this meeting, are in all respects approved, authorized and confirmed. The Authorized
5 Officers of the City be, and they hereby are, authorized and directed to take all action necessary or
6 appropriate to effectuate the provisions of this Master Ordinance, including, without limiting the
7 generality of the foregoing, the refunding, redemption and prepayment of the Refunded Bonds in
8 accordance with their terms (including the deposit and use of other legally available funds of the City
9 for refunding, redemption and prepayment of the Refunded Bonds), the distribution of material
10 relating to the Series 2016 Bonds, the printing, execution and distribution of the Series 2016 Official
11 Statement, with such changes therein not inconsistent with this Master Ordinance as the Authorized
12 Officers of the City deem necessary or desirable, and the execution of the Series 2016 Bond Purchase
13 Agreement, the Series 2016 Continuing Disclosure Undertaking, and such other certificates and
14 agreements as may be required by the purchasers of the Series 2016 Bonds or Bond Counsel. The use
15 and distribution of the Series 2016 Preliminary Official Statement and the Series 2016 Official
16 Statement in connection with the sale of the Series 2016 Bonds to the public are hereby ratified,
17 authorized, approved and acknowledged.

18 ARTICLE XVII

19 FUNDS AND ACCOUNTS

20 Section 17.01. *Income Fund.* The City shall continue the Income Fund as a separate,
21 distinct and segregated fund. As long as any System Bonds are Outstanding, all Gross Revenues shall
22 continue to be set aside and credited to the Income Fund.

23 Section 17.02. *Acquisition Fund.* The Acquisition Fund is established as a separate and
24 distinct fund of the City to be maintained and controlled by the City or its designee. The City shall
25 establish a separate Acquisition Account in the Acquisition Fund for each series of System Bonds

1 which finance the Project and may establish separate subaccounts in any such account for the
2 payment of capitalized interest and for other purposes permitted by this Master Ordinance or the
3 applicable Supplemental Ordinance.

4 Section 17.03. **Debt Service Fund.** The City shall continue the Debt Service Fund as a
5 separate and distinct fund of the City to be maintained and controlled by the City or its designee for
6 the payment of the Debt Service Requirements on Parity Bonds and, if applicable, proceeds of Parity
7 Bonds to be used for the payment of Parity Bonds. The City shall establish a separate Debt Service
8 Account in the Debt Service Fund for each series of Outstanding Parity Bonds and may establish
9 separate subaccounts in any such account for each series of Outstanding Parity Bonds. The City
10 hereby establishes the Series 2016 Debt Service Account, the Series 2016 Interest Account, and the
11 Series 2016 Principal Account.

12 Section 17.04. **Reserve Fund.** The City shall continue the Reserve Fund as a separate and
13 distinct fund to be maintained and controlled by the City or its designee for the purposes described in
14 Section 18.03. The City shall establish a separate Reserve Account in the Reserve Fund for each
15 series of Parity Bonds for which there is a Reserve Requirement. The City hereby determines not to
16 establish a Reserve Account for the Series 2016 Bonds.

17 Section 17.05. **Escrow Fund.** The Escrow Fund is established as a separate and distinct fund
18 of the City to be maintained and controlled by the Escrow Agent or its designee.

19 Section 17.06. **Subordinate Lien Funds and Accounts.** The City may establish separate and
20 distinct funds and accounts to be maintained and controlled by the City or its designee to pay Debt
21 Service Requirements on, and to fund Reserve Accounts for, Subordinated Bonds.

22 Section 17.07. **Rebate Fund.** The City shall continue the Rebate Fund as a special and
23 separate fund to be maintained and controlled by the City or its designee. The City shall, to the extent
24 that rebate payments may be required to be made pursuant to Section 148(f) of the Code, establish
25 within the Rebate Fund a separate account for each series of System Bonds. The City hereby

1 establishes the Series 2016 Rebate Account.

2 Section 17.08. **Replacement Fund.** The City shall continue the Replacement Fund as a
3 special and separate fund to be maintained and controlled by the City or its designee for the purposes
4 described in Section 18.06.

5 Section 17.09. **Rate Stabilization Fund.** The City shall continue the Rate Stabilization Fund
6 as a special and separate fund to be maintained and controlled by the City or its designee for the
7 purposes described in Section 18.07.

8 Section 17.10. **Operation and Maintenance Fund.** The City shall continue the Operation
9 and Maintenance Fund as a special and separate fund to be maintained and controlled by the City or
10 its designee for the purposes described in Section 18.01.

11 Section 17.11. **Other Funds.** Other funds and accounts relating to any series of System
12 Bonds, including escrow funds and accounts if System Bonds are to be refunded, may be established
13 by the Council or an officer of the City to be controlled and maintained by the City or its designee.

14 Section 17.12. **Deposit of Proceeds of Series 2016 Bonds.** On the date of issuance and
15 delivery of the Series 2016 Bonds, the net proceeds from the sale of the Series 2016 Bonds (after
16 payment of underwriter's discount, original issue discount and Expenses) and other amounts stated in
17 this Section shall be deposited or used as follows:

18 (a) \$ _____ of proceeds of the Series 2016 Bonds shall be deposited with
19 the Escrow Agent in the Escrow Fund pursuant to the Escrow Agreement used to pay the
20 interest on and the principal and redemption price of the Refunded Bonds.

21 (b) \$ _____ of proceeds of the Series 2016 Bonds shall be used to pay
22 Expenses.

23 The City Finance Director and Treasurer may approve variations in the amounts to be
24 deposited, transferred and used as set forth in Paragraphs (a) and (b) of this Section as necessary or
25 desirable.

ARTICLE XVIII

ADMINISTRATION OF INCOME FUND AND OTHER FUNDS AND ACCOUNTS

Section 18.01. *Use of Gross Revenues.* As long as any System Bonds are Outstanding, all Gross Revenues shall be deposited in the Income Fund and transferred from that Fund to the following funds and accounts or for payment of the following amounts in the order listed:

(a) *Operation and Maintenance Expenses.* A sufficient amount of Gross Revenues shall be set aside each month into the Operation and Maintenance Fund to be used to pay the current Operation and Maintenance Expenses as they become due.

(b) *Debt Service Accounts for Parity Bonds.* Net Revenues shall be transferred to the Debt Service Account established for the Series 2016 Bonds and each series of Outstanding Parity Bonds in approximately equal amounts each month to provide an amount sufficient to pay Debt Service Requirements on the Series 2016 and such series of Parity Bonds as they become due.

(c) *Reserve Account.* Net Revenues shall be transferred to the Reserve Account for each series of Parity Bonds with a Reserve Requirement each month to the extent that deposits are required to be made as a result of any draws on a Reserve Account Insurance Policy or deficiency in the Reserve Requirement for a series of Parity Bonds.

(d) *Subordinated Bonds.* Net Revenues shall be transferred to such funds and accounts as may be established by Supplemental Ordinance with respect to one or more series of Subordinated Bonds and used to pay Debt Service Requirements on Subordinated Bonds and to fund any Reserve Requirement for Subordinated Bonds.

(e) *Replacement Fund.* At the option of the City, Net Revenues may be transferred to the Replacement Fund to be used for the purposes stated in Section 18.06.

(f) *Rate Stabilization Fund.* At the option of the City, Net Revenues may be transferred to the Rate Stabilization Fund to be used for the purposes stated in Section 18.07.

1 (g) *Surplus Net Revenues.* Net Revenues shall be retained in the Income Fund or
2 used for any other lawful System purpose including, but not limited to, redeeming or
3 purchasing System Bonds or paying costs and expenses of the City relating to the
4 administration of System Bonds but shall not be transferred to the general fund of the City
5 except for Operation and Maintenance Expenses owed by the System to the City and except
6 for taxes, payments in lieu of taxes, franchise fees, surcharges, assessments and other
7 municipal or governmental charges of the City lawfully levied or assessed upon the System.

8 (h) *Accumulation of Revenues.* Gross Revenues need not be retained for any use
9 or in any fund or account described in this Section 18.01 in excess of the Gross Revenues
10 required for any current use or deposit. For the purposes of this subparagraph, the term
11 current shall mean the month during which the Net Revenues are being distributed and the
12 immediately following period until the next payment date for Debt Service Requirements on
13 System Bonds.

14 Section 18.02. *Debt Service Fund.* Net Revenues shall be transferred in approximately
15 equal amounts each month to each Debt Service Account sufficient to pay when due the Debt Service
16 Requirements on each series of Parity Bonds.

17 (a) Except as stated in Section 18.04 or required by the Supplemental Ordinance
18 relating to a series of Parity Bonds, approximately equal monthly deposits of Net Revenues
19 shall be made to each Debt Service Account beginning six months before each Interest
20 Payment Date for the Series 2016 Bonds and any Parity Bonds in order to make the next
21 payment of interest on each such System Bond when due. However, if the first Interest
22 Payment Date for a series of System Bonds is less than seven months after the date of the
23 original issuance of that series of System Bonds, equal monthly deposits of Net Revenues
24 before the first Interest Payment Date shall begin in the first full month following the date of
25 issuance of that series of System Bonds.

(b) Except as stated in Section 18.04 or as required by the Supplemental Ordinance relating to a series of System Bonds, substantially equal monthly deposits of Net Revenues shall be made to each Debt Service Account beginning 12 months before each principal or Accreted Value payment date for the Series 2016 Bonds and any Parity Bonds in order to make the next scheduled payment of principal or Accreted Value on each such System Bond when due whether at maturity on a mandatory sinking fund redemption date or other Accretion Term Date. However, if the first principal payment date for a series of System Bonds is less than thirteen months after the date of the original issuance of that series of System Bonds, equal monthly deposits of Net Revenues before the first principal payment date shall begin in the first full month following the date of issuance of that series of System Bonds. Principal payments include scheduled payments at maturity, by mandatory sinking fund installment or otherwise scheduled payments of principal. Accreted Value payments include scheduled payments on the Accretion Term Date, if any, and as otherwise stated in the applicable Supplemental Ordinance.

If in the month immediately preceding any payment date for the Series 2016 Bonds and any series of Parity Bonds, the City determines that there are not sufficient funds accumulated in a Debt Service Account to pay the amount becoming due on such series of System Bonds on the payment date, the City shall promptly deposit any available Net Revenues in that Debt Service Account in an amount equal to the deficiency. If, prior to any payment date for a series of System Bonds, there has accumulated in the applicable Debt Service Account the entire amount necessary to pay the amount becoming due on those System Bonds on that payment date, no additional Net Revenues need be deposited in that Debt Service Account prior to that payment date. In making the determinations permitted by this paragraph, the City may take into account the amount on deposit in any other fund or account or escrow relating to the applicable series of System Bonds irrevocably set aside for

1 the next payment of those System Bonds.

2 Unless otherwise stated in the Supplemental Ordinance relating to any series of
3 Parity Bonds, amounts deposited in any Debt Service Account shall be applied first to the
4 payment of interest and then to pay or satisfy any sinking fund requirements for the payment
5 of principal.

6 Except as provided in Section 18.04, money in a Debt Service Account shall be used
7 only to pay the Debt Service Requirements on the Series 2016 Bonds and any series of
8 System Bonds for which the Debt Service Account was created. Transfers of amounts equal
9 to the Debt Service Requirements shall be made by the City on a timely basis to the
10 appropriate Fiscal Agent.

11 Any amount owed by the City to a Bond Insurer for payment of Debt Service
12 Requirements on the Series 2016 Bonds or Insured Bonds of a series of Parity Bonds
13 pursuant to a Bond Insurance Policy shall be paid from Net Revenues with the same priority
14 as other payments of Debt Service Requirements on that series of Parity Bonds.

15 Section 18.03. **Reserve Account.** As provided in a Supplemental Ordinance, the City may
16 establish a separate Reserve Account in the Reserve Fund for each series of Parity Bonds for which
17 there is a Reserve Requirement. The City hereby determines not to establish a Reserve Account for
18 the Series 2016 Bonds. Each Reserve Account may be funded with the proceeds of the applicable
19 series of Parity Bonds, a Reserve Account Insurance Policy, Net Revenues or any combination
20 thereof. A Reserve Account Insurance Policy may be substituted for an equivalent amount of cash in
21 a Reserve Account.

22 No payments need be made into a Reserve Account, if created, as long as the sum of the
23 money in that Reserve Account and the insurance in effect under any Reserve Account Insurance
24 Policy for the applicable series of Parity Bonds is equal to or greater than the Reserve Requirement
25 for that series of System Bonds and all proceeds of the Reserve Account Insurance Policy used to pay

1 Debt Service Requirement have been repaid. Money in each Reserve Account shall be accumulated
2 and maintained as a continuing reserve to be used, except as provided in this Section 18.03 and
3 Section 18.04, only to prevent deficiencies in the payment of the principal of, Accreted Value or
4 interest on the series of Parity Bonds for which the Reserve Account was established and to reimburse
5 the Insurer under any applicable Reserve Account Insurance Policy.

6 If the amount on deposit in the Debt Service Account for a series of Parity Bonds on a
7 payment date for that series of System Bonds and available Net Revenues are not enough to pay the
8 amount becoming due on that series on that date, an amount equal to the deficiency shall be
9 transferred from the applicable Reserve Account to the Debt Service Account for that series of Parity
10 Bonds. If the amount of money on deposit in the Reserve Account is not sufficient to make up the
11 deficiency in the Debt Service Account for that series of Parity Bonds when due, a demand for
12 payment shall be made on any applicable Reserve Account Insurance Policy.

13 A sum equal to the amount in such other Reserve Account and the proceeds of a Reserve
14 Account Insurance Policy used to pay Debt Service Requirements on a series of Parity Bonds plus
15 interest, if any, owed on amounts advanced pursuant to a Reserve Account Insurance Policy shall be
16 deposited in that Reserve Account from the first Net Revenues received by the City which are not
17 required by Section 18.01 to be used for another purpose. The amount received shall first be used to
18 reimburse the Reserve Account Insurer for amounts paid under the Reserve Account Insurance Policy
19 used to pay Debt Service Requirements, second to replace amounts of money drawn from the Reserve
20 Account and third to pay interest or fees owed to a Reserve Account Insurer for amounts advanced
21 pursuant to a Reserve Account Insurance Policy. Any interest or fees due to a Reserve Account
22 Insurer shall be subordinate to any amounts required to be paid for the benefit of the Owners of the
23 series of Parity Bonds. The priority for the use of money deposited in a Reserve Account for a series
24 of System Bonds may be changed by the Supplemental Ordinance for that Series.

25 If all proceeds drawn on a Reserve Account Insurance Policy and accrued interest thereon for

1 a series of Parity Bonds have been reimbursed and paid, any amount on deposit in the Reserve
2 Account relating to that series of System Bonds in excess of the Reserve Requirement for that series
3 (taking into consideration the amount of insurance in effect under any applicable Reserve Account
4 Insurance Policy) may be withdrawn at any time from the Reserve Account and deposited in the
5 Replacement Fund. However, any excess which represents original proceeds of a series of
6 Outstanding System Bonds or interest thereon shall first be used to pay Debt Service Requirements
7 on that series of System Bonds or costs of the Project for which that series of System Bonds was
8 issued.

9 If a Reserve Account Insurance Policy is used to satisfy the Reserve Requirement for a series
10 of Parity Bonds, the City shall give notice thereof to each rating agency providing a rating for that
11 series of System Bonds.

12 Section 18.04. ***Termination Upon Deposits to Maturity.*** No payments need be made into
13 the Debt Service Account or Reserve Account for a series of Parity Bonds if the sum of the amounts
14 in that Debt Service Account and Reserve Account (without regard for the coverage available under
15 any Reserve Account Insurance Policy) is not less than the Debt Service Requirements due and to
16 become due on and before the final maturity date of that series of Parity Bonds, both accrued and not
17 accrued, and all proceeds paid under any Reserve Account Insurance Policy and Bond Insurance
18 Policy for that series of Parity Bonds have been reimbursed. Unless otherwise provided in the
19 Supplemental Ordinance applicable to a series of Parity Bonds, the money retained in those two
20 accounts shall be used only to pay the Debt Service Requirements on that series of System Bonds
21 when due except that any money on deposit in any such Debt Service Account which is not necessary
22 to pay such Debt Service Requirements shall be used as surplus Net Revenues and any money on
23 deposit in any such Reserve Account which is not necessary to pay such Debt Service Requirements
24 (other than proceeds of Outstanding Parity Bonds) shall be deposited in the Replacement Fund.

25 Section 18.05. ***Subordinated Bonds.*** Net Revenues shall be used as required by the

1 applicable ordinances of the Council authorizing the issuance of Subordinated Bonds, the payment of
2 Debt Service Requirements thereof and the funding of reserves for Subordinated Bonds.
3 Subordinated Bonds shall have the order of priority with respect to other Subordinated Bonds as set
4 forth in the Supplemental Ordinances authorizing the issuance of Subordinated Bonds.

5 Section 18.06. **Replacement Fund.** In addition to Net Revenues, the City shall deposit in the
6 Replacement Fund, all money released from a Reserve Account for a series of System Bonds in
7 excess of the Reserve Requirement for that series pursuant to Section 18.03, except for any such
8 excess which is designated for another System purpose by resolution or ordinance of the Council or
9 which is proceeds of Outstanding System Bonds, together with such other moneys from other sources
10 as may be designated by the Council.

11 While any System Bonds are outstanding, money on deposit in the Replacement Fund shall
12 be used only (i) for replacement costs and capital improvements to the System, (ii) for extraordinary
13 charges relating to the financing or refinancing of the System, and (iii) to purchase or otherwise
14 defease, or provide for the defeasance of, Outstanding System Bonds.

15 Section 18.07. **Rate Stabilization Fund.** Money on deposit in the Rate Stabilization Fund
16 may be withdrawn at any time and used for any purpose for which Gross Revenues may be used. If
17 deposits to the Rate Stabilization Fund are made by the City from sources of legally available moneys
18 other than Gross Revenues, then such deposits shall be excluded from computations required pursuant
19 to Article XXIV and Section 26.03 of this Master Ordinance.

20 Section 18.08. **Pro Rata Deposits.** If the amount of Net Revenues available for deposit in
21 the Debt Service Fund is not sufficient to pay the entire amount required to be deposited in the Debt
22 Service Accounts and/or Reserve Accounts, the Net Revenues available shall be deposited first in the
23 Debt Service Accounts and then in the Reserve Accounts, in each case, pro rata based upon the
24 amount required to be deposited in each Account to the total Net Revenues available for deposit.

25 Reimbursements owed to a Bond Insurer, Reserve Account Insurer or provider of another

Credit Facility for amounts used to pay Debt Service Requirements on a series of System Bonds shall be paid on the same pro rata basis and with the same priority as are amounts to be deposited in the Debt Service Account or Reserve Account, as applicable, with respect to the applicable series of Parity Bonds (or comparable accounts with respect to a series of Subordinated Bonds).

Section 18.09. *Variable Rate Bonds.* In making computations required by this Article, interest on Variable Rate Bonds which cannot be determined exactly for a future period shall be deemed to bear the interest rate required by the definition of Debt Service Requirements in this Master Ordinance or the applicable Supplemental Ordinance. To determine the amount required to be on deposit in any Debt Service Account for the payment of interest, computations of the interest rate on Variable Rate Bonds shall be made whenever there is a change in the interest rate on the applicable Variable Rate Bonds except that the computation need not be made more often than once in any month.

ARTICLE XIX

TRANSFERS TO PAY PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SYSTEM BONDS; PAYMENT OF EXPENSES

Section 19.01. *Transfer to Paying Agent.* The City shall transfer legally available funds for the payment of Debt Service Requirements on each series of System Bonds to the applicable Paying Agent on or before the date on which each such payment is due.

Section 19.02. *Expenses.* The City or its designee shall pay all Expenses directly to the party entitled thereto from proceeds of a series of System Bonds, from amounts on deposit in the Acquisition Account for a series of System Bonds and from other Net Revenues, as applicable.

ARTICLE XX

GENERAL ADMINISTRATION OF FUNDS

The funds and accounts designated in Articles 17 and 18 shall be administered as follows:

Section 20.01. *Investment of Money.* To the extent practicable, any money in any such fund

1 or account shall be invested in Permitted Investments within any limitations imposed by any
2 applicable Supplemental Ordinance. Obligations purchased as an investment of money in any fund or
3 account shall be deemed at all times to be part of that fund or account, and the interest accruing and
4 any profit realized on those investments shall be credited to that fund or account, unless otherwise
5 stated in this Master Ordinance, a Supplemental Ordinance or Related Document (subject to
6 withdrawal at any time for the uses directed and permitted for such money by this Master Ordinance,
7 Supplemental Ordinance and Related Documents), and any loss resulting from such investment shall
8 be charged to that fund or account. The City Finance Director and Treasurer shall present for
9 redemption or sale on the prevailing market any Permitted Investment in a fund or account when
10 necessary to provide money to meet a required payment or transfer from that fund or account.

11 Section 20.02. *Deposits of Funds.* The money and investments which are part of the funds
12 and accounts designated in Articles 17 and 18 shall be maintained and kept in an Insured Bank or
13 Banks or may be held in book-entry form in the name of the City by an agent or custodian of or for
14 the City for the benefit of the City, as permitted by State law. Each payment or deposit shall be made
15 into and credited to the proper fund or account at the designated time, except that when the designated
16 time is not a Business Day, then the payment shall be made on the next succeeding Business Day
17 unless otherwise required in this Master Ordinance, a Supplemental Ordinance or Related
18 Documents. The City may establish one or more accounts in Insured Banks for all of the funds and
19 accounts or combine such funds and accounts with any other Insured Bank account or accounts for
20 other funds and accounts of the City.

21 Section 20.03. *Valuation of Investments.* In the computation of the amount in any account
22 or fund for any purpose under this Master Ordinance, except as otherwise expressly provided in this
23 Master Ordinance or applicable Supplemental Ordinance, Permitted Investments shall be valued at
24 the cost thereof (including any amount paid as accrued interest) or the principal amount thereof,
25 whichever is less; except that Permitted Investments purchased at a premium may initially be valued

1 at the cost thereof, but in each year after such purchase shall be valued at a lesser amount determined
2 by ratably amortizing the premium over the remaining term. Bank deposits shall be valued at the
3 amount deposited, exclusive of any accrued interest or any other gain to the City until such gain is
4 realized by the receipt of an interest-earned notice, or otherwise. The valuation of Permitted
5 Investments and bank deposits in any account shall be made not less frequently than annually. No
6 loss or profit on Permitted Investments shall be deemed to take place as a result of fluctuations in the
7 market quotations prior to the sale or maturity thereof.

8 Section 20.04. ***Reserve Fund Investments.*** Unless otherwise stated in a Supplemental
9 Ordinance, amounts contained in each Reserve Account in the Reserve Fund may be invested only in
10 Permitted Investments. Amounts contained in a Reserve Account may be invested only in Permitted
11 Investments, with maturities of not longer than five years (except for investment agreements, as
12 described in paragraph (g) of the definition of Permitted Investments, which may have maturities in
13 excess of five years). The Permitted Investments on deposit shall be marked to their fair market value
14 on and as of July 1 of each year. Any deficiency in the Reserve Account as a result of such annual
15 valuation shall be paid into the Reserve Account by the City from moneys on deposit in the Income
16 Fund within one month of such valuation.

17 **ARTICLE XXI**

18 **BOND INSURANCE, RESERVE ACCOUNT INSURANCE AND CREDIT FACILITY**

19 Section 21.01. ***Credit Facility for Payment of System Bonds.*** Payments of all or any part of
20 the Debt Service Requirements on any series of System Bonds may be guaranteed by a Credit Facility
21 as and to the extent set forth in the Supplemental Ordinance and Related Documents for that series.

22 Section 21.02. ***Consent of Bank or Bond Insurer.*** Any provision of this Master Ordinance
23 or Supplemental Ordinance expressly recognizing or granting rights in or to a Bank or Bond Insurer
24 may not be amended in any manner which affects the rights of the Bank or Bond Insurer without the
25 prior written consent of that Bank or Bond Insurer.

1 Section 21.03. *Consent of Bond Insurer in Addition to Owner's Consent.* With respect to
2 Insured Bonds, the Owners' consent shall be effective only to the extent that the applicable Bond
3 Insurer also gives its consent when required for the (i) execution and delivery of any supplement or
4 amendment to this Master Ordinance (other than a Supplemental Ordinance authorizing issuance of a
5 series of System Bonds) or applicable Supplemental Ordinance and (ii) initiation or approval of any
6 action not described in clause (i) of this paragraph which requires Owners' consent.

7 Section 21.04. *Consent of Bond Insurer upon an Event of Default.* With respect to Insured
8 Bonds, anything in this Master Ordinance to the contrary notwithstanding, while Insured Bonds are
9 outstanding, upon the occurrence and continuance of an event of default with respect to a series of
10 System Bonds, the Bond Insurer of the applicable Bond Insurance Policy shall be entitled to control
11 and direct the enforcement of all rights and remedies to the extent granted to the Owners of those
12 Insured Bonds under this Master Ordinance and, to the same extent that the Owners of Insured Bonds
13 have the right, to approve all waivers of any event of default with respect to the Insured Bonds of that
14 series.

15 Section 21.05. *Payment Procedure Pursuant to Bond Insurance Policy.* As long as a Bond
16 Insurance Policy is in full force and effect and Insured Bonds are outstanding, the City and applicable
17 Paying Agent agree to follow the procedures for a draw on that Bond Insurance Policy as set forth in
18 the Supplemental Ordinance or Credit Facility.

19 Section 21.06. *Book-Entry Bonds.* If Insured Bonds are issued in book-entry form,
20 principal, Accreted Value and interest paid by a Bond Insurer of Insured Bonds shall be distributed to
21 any Owner of those Insured Bonds only upon evidence satisfactory to that Bond Insurer that the
22 ownership interest of that Owner and the right to payment of such principal, Accreted Value and
23 interest has been effectively transferred to that Bond Insurer on the books maintained for such
24 purpose. Any Bond Insurer paying principal or interest on Insured Bonds shall be fully subrogated to
25 all of the rights of Owners of those Insured Bonds to payment of principal, Accreted Value and

1 interest to the extent of the insurance disbursement so made.

2 Section 21.07. ***Reserve Account Insurance.*** In lieu of depositing Net Revenues or proceeds
3 of System Bonds into a Reserve Account, the City may satisfy all or a part of the Reserve
4 Requirement, if any, for a series of System Bonds by the purchase of a Reserve Account Insurance
5 Policy.

6 Section 21.08. ***Payment Procedures Pursuant to Reserve Account Insurance Policy.*** As
7 long as a Reserve Account Insurance Policy is in full force and effect for a series of System Bonds,
8 the City and Paying Agent agree that if money on deposit in the applicable Debt Service Account (or
9 comparable account for a series of Subordinated Bonds) is not available to pay the amount of Debt
10 Service Requirements coming due on that series of System Bonds, the Paying Agent and City will
11 follow the procedures for a draw on that Reserve Account Insurance Policy as set forth in the
12 applicable Supplemental Ordinance or Credit Facility.

13 Section 21.09. ***Notices to be Given to Bond Insurer and Reserve Account Insurer.*** While a
14 Bond Insurance Policy and/or Reserve Account Insurance Policy are in effect, the City shall furnish
15 to the Bond Insurer and/or Reserve Account Insurer:

16 (a) As soon as practicable after the filing thereof, a copy of the financial
17 statements of the City and a copy of any audit and annual report of the City;

18 (b) A copy of any notice or certificate to be given to the Owners of Insured
19 Bonds or System Bonds for which there is a Reserve Account Insurance Policy in effect
20 including, without limitation, notice of any redemption or defeasance of Insured Bonds or
21 System Bonds for which there is a Reserve Account Insurance Policy in effect;

22 (c) A copy of any notice or information provided pursuant to any continuing
23 disclosure undertaking of the City with respect to System Bonds; and

24 (d) Such additional information as the Bond Insurer or Reserve Account Insurer
25 reasonably request.

1 The City will permit each Bond Insurer and Reserve Account Insurer to discuss with
2 appropriate officers of the City the affairs, finances and accounts of the City or any information the
3 Bond Insurer or Reserve Account Insurer may reasonably request regarding the security for the
4 Insured Bonds or System Bonds for which there is a Reserve Account Insurance Policy in effect. The
5 City will permit each Bond Insurer and Reserve Account Insurer at any reasonable time to have
6 access to and to make copies of all books and records relating to the Insured Bonds or System Bonds
7 for which there is a Reserve Account Insurance Policy in effect.

8 Notwithstanding any of the provisions of this Master Ordinance, the City shall notify each
9 Bond Insurer and Reserve Account Insurer if at any time there is an insufficient amount of money to
10 pay the Debt Service Requirements on the Insured Bonds or System Bonds for which there is a
11 Reserve Account Insurance Policy in effect as and when required and immediately upon the
12 occurrence of any event of default under this Master Ordinance.

13 Section 21.10. *Nonexistence of or Default under Bond Insurance Policy or Reserve*
14 *Account Insurance Policy; Payment in Full of Insured Bonds.*

15 (a) Notwithstanding anything in this Master Ordinance or a Supplemental
16 Ordinance to the contrary: (i) if there is no Bond Insurance Policy or if there are no Insured
17 Bonds outstanding, then the references in this Master Ordinance relating to the Bond
18 Insurance Policy and the Bond Insurer under the Bond Insurance Policy shall have no force
19 and effect and (ii) if a Bond Insurer under a Bond Insurance Policy is under bankruptcy or
20 receivership protection or has failed to make a payment in accordance with or has otherwise
21 declared its intention to abrogate or dishonor its obligation to pay under the terms of a Bond
22 Insurance Policy, any rights or benefits conferred on that Bond Insurer by this Master
23 Ordinance or applicable Supplemental Ordinance shall be suspended until such time as that
24 Bond Insurer has emerged from such bankruptcy or receivership protection, fully cured such
25 payment default or has formally rescinded such declaration.

(b) Notwithstanding anything in this Master Ordinance to the contrary, if there is no Reserve Account Insurance Policy, then the references in this Master Ordinance relating to the Reserve Account Insurance Policy and the Reserve Account Insurer shall have no force and effect and if a Reserve Account Insurer is under bankruptcy or receivership protection or has failed to make a payment in accordance with the terms of the applicable Reserve Account Insurance Policy, any rights or benefits conferred on that Reserve Account Insurer by this Master Ordinance or applicable Supplemental Ordinance shall be suspended until such time as that Reserve Account Insurer has emerged from such bankruptcy or receivership protection or fully cured such default.

Section 21.11. *Adverse Effect on Owners.* In determining whether the rights of the Owners will be adversely affected by any action taken pursuant to the terms and provisions of this Master Ordinance or a Supplemental Ordinance, the City shall consider the effect on such Owner as if there were no Bond Insurance Policy or Reserve Account Insurance Policy in effect.

Section 21.12. *Consent or Demand by Owners of Insured Bonds.* When in this Master Ordinance the action of the Owners of a stated percentage in principal amount and Accreted Value of System Bonds then Outstanding is required for the giving of any consent or demand, the consent or demand of the Owners of Insured Bonds shall be considered only if the Bond Insurer joins in such consent or demand.

Section 21.13. *Changes to Insurance Terms.* Changes and additions may be made for a series of System Bonds with respect to the terms set forth in this Section by the Supplemental Ordinance relating to that series of System Bonds.

Section 21.14. *Other Credit Facility.* The rights and obligations of any Bank or Insurer under any Credit Facility shall be as set forth in this Master Ordinance, applicable Supplemental Ordinance or Related Documents. The City shall promptly notify any rating agency then rating the applicable System Bonds of changes to a Credit Facility.

ARTICLE XXII

PLEDGE OF NET REVENUES AND LIEN OF SYSTEM BONDS

The Net Revenues are hereby pledged for the payment of the System Bonds and the reimbursement of obligations of the City for the proceeds of any Credit Facility used to pay Debt Service Requirements on System Bonds and such obligations of the City shall continue to have an irrevocable lien upon the Net Revenues until paid. Net Revenues shall be applied to the payment of such obligations with the priorities set forth in Article XVIII.

ARTICLE XXIII

EQUALITY OF SYSTEM BONDS

Except as set forth in this Master Ordinance, Supplemental Ordinances, or Related Documents, System Bonds from time to time outstanding shall not be entitled to any priority one over the other in the application of the Net Revenues, regardless of the time or times of their issuance except that the lien on the Net Revenues in favor of any Subordinated Bonds shall be subordinate to the lien on the Net Revenues in favor of the Series 2016 Bonds and any additional Parity Bonds.

ARTICLE XXIV

ADDITIONAL SYSTEM BONDS

Section 24.01. *Limitations Upon Issuance of System Bonds.* Subject to the limitations of this Article and Article XXV, nothing in this Master Ordinance shall be construed to prevent the issuance by the City of additional System Bonds.

Section 24.02. **Parity Bonds.** Parity Bonds in addition to the Series 2016 Bonds may be issued for the System purposes including, but not limited to, (i) financing the Costs of a Project; or (ii) providing additional funds for deposit into a Reserve Account or the Replacement Fund and paying the costs incident to the issuance of such Parity Bonds or any combination of the foregoing.

The tests required in this Section 24.02 shall be performed without adjustment for payments to or withdrawals from the Rate Stabilization Fund or interest accrued (other than amounts

1 representing capitalized interest) in the Acquisition Fund. Except as permitted herein and by Article
2 XXV, prior to the issuance of additional Parity Bonds, the City shall be current in making all deposits
3 required by Article XVIII and the following test shall be satisfied:

4 (a) a certificate prepared by an Authorized Officer of the City showing that the
5 Net Revenues for the Historic Test Period were at least equal to 125% of the maximum
6 combined annual Debt Service Requirements for all Outstanding Parity Bonds after the
7 issuance of the proposed Parity Bonds, or

8 (b) a certificate prepared by a Consulting Engineer showing that:

9 (i) the Net Revenues for the Historic Test Period were at least equal to
10 125% of the maximum combined annual Debt Service Requirements for all
11 Outstanding Parity Bonds immediately preceding the issuance of the proposed
12 additional Parity Bonds;

13 (ii) for each Fiscal Year during the period from the date of delivery of
14 such certificate until the latest estimated Completion Date of the Project being
15 financed, the Consulting Engineer estimates that the City will be in compliance with
16 the Rate Covenant; and

17 (iii) the estimated Net Revenues for each of the three Fiscal Years
18 immediately following the latest estimated Completion Date for the specified Project
19 to be financed with proceeds of the proposed additional Parity Bonds, as certified to
20 the Consulting Engineer by an Authorized Officer of the City, will be at least equal to
21 125% of the maximum combined annual Debt Service Requirements for all
22 Outstanding Parity Bonds which will be outstanding immediately after the issuance
23 of the proposed additional Parity Bonds.

24 For purposes of subsections (b)(i) and (ii) above, in estimating Net Revenues, the Consulting
25 Engineer may take into account (1) reasonable Gross Revenues from specified Projects expected to

1 become available, (2) any increase in fees, rates, charges, rentals or other sources of Gross Revenues
2 which have been approved by the City and will be in effect during the period for which the estimates
3 are provided, and (3) any other increases in Gross Revenues for such period which the Consulting
4 Engineer certifies to be reasonable for purposes of such certificate. With respect to Operation and
5 Maintenance Expenses, the Consulting Engineer shall use such assumptions as the Consulting
6 Engineer believes to be reasonable, and taking into account, (i) historical Operation and Maintenance
7 Expenses, (ii) Operation and Maintenance Expenses associated with the specified Projects and (iii)
8 such other factors, including inflation and changing operations or policies of the City, as the
9 Consulting Engineer believes to be appropriate. The Consulting Engineer shall include in the
10 certificate or in a separate accompanying report a description of the assumptions used and the
11 calculations made in determining the estimated Net Revenues and shall also set forth the calculations
12 of the maximum combined annual Debt Service Requirements, which calculations may be based upon
13 information provided by another Consulting Engineer or Consultant.

14 For purposes of preparing the certificate or certificates described above, the Consulting
15 Engineer or Consulting Engineers may rely upon financial statements prepared by the City which
16 have not been subject to audit by an independent certified public accountant if audited financial
17 statements for the Fiscal Year or period are not available; provided, however, that an Authorized
18 Officer of the City shall certify as to their accuracy and that such financial statements were prepared
19 substantially in accordance with generally accepted accounting principles, subject to year-end
20 adjustments.

21 Section 24.03. ***Certificates.*** In determining whether additional Parity Bonds may be issued
22 pursuant to Section 24.02, a written certificate or opinion of an Authorized Officer of the City or a
23 Consulting Engineer shall be conclusively presumed to be accurate in determining the right of the
24 City to authorize, issue, sell and deliver the additional Parity Bonds.

25 Section 24.04. ***Superior Obligations Prohibited.*** As long as Parity Bonds are outstanding,

1 the City shall not issue additional System Bonds having a lien on the Net Revenues prior and superior
2 to the lien of Parity Bonds on Net Revenues.

3 Section 24.05. ***Subordinate Obligations Permitted.*** Nothing contained in this Master
4 Ordinance shall be construed to prevent the City from issuing Subordinated Bonds pursuant to the
5 provisions set forth in a Supplemental Ordinance authorizing the issuance thereof.

6 Section 24.06. ***Variable Rate Bonds and Tender Indebtedness.***

7 (a) In making the computations required by this Article, to determine if
8 additional System Bonds may be issued, Variable Rate Bonds shall be deemed to bear a rate
9 of interest at the 30-year Revenue Bond Index (published by The Bond Buyer no more than
10 two weeks prior to the date of sale) certified as described in the definition of Debt Service
11 Requirements.

12 (b) No Variable Rate Bonds or Tender Indebtedness shall be issued unless such
13 series of System Bonds is rated, based upon a Credit Facility or otherwise, at the time of
14 issuance "P-1+" by Moody's and/or "A-1" by S&P.

15 (c) If the computations required by this Article are made assuming (i) interest at
16 the maximum interest rate payable to the Bank providing a Credit Facility for the Variable
17 Rate Bonds or Tender Indebtedness and (ii) the accelerated principal repayment schedule due
18 to such Bank, then the acceleration of principal payments and excess interest due to such
19 Bank may be on a parity with the payment of Debt Service Requirements on Parity Bonds;
20 provided, however, if such assumptions are not made in making the computations required by
21 this Article, then any accelerated principal payments due to such Bank or any interest due in
22 excess of the rate on the Variable Rate Bonds or Tender Indebtedness must be subordinated
23 to the payment of Debt Service Requirements on Parity Bonds.

24 (d) Any Bank providing a Credit Facility for liquidity support of Variable Rate
25 Bonds or Tender Indebtedness must be rated in the highest short-term rating category

1 assigned by Moody's and/or by S&P.

2 (e) Any trustee, tender agent or paying agent employed with respect to Variable
3 Rate Bonds or Tender Indebtedness must be a commercial bank with trust powers and any
4 remarketing agent employed with respect to Variable Rate Bonds or Tender Indebtedness
5 must have trust powers if it is responsible for holding monies or receiving bonds.

6 (f) The provisions of this Section 24.06 and the other provisions of this Master
7 Ordinance stating terms and conditions relating to the issuance of Variable Rate Bonds and
8 Tender Indebtedness may be modified at the time of issuance of Variable Rate Bonds or
9 Tender Indebtedness in accordance with the Supplemental Ordinance authorizing issuance
10 thereof.

11 **ARTICLE XXV**

12 **REFUNDING BONDS**

13 The provisions of Article XXIV of this Master Ordinance are subject to the following
14 exceptions:

15 (a) Privilege of Issuing Refunding Obligations. If at any time while System
16 Bonds remain Outstanding, the City desires to refund any Outstanding System Bonds or other
17 obligations payable from Net Revenues, those System Bonds or other obligations, or any part
18 thereof, may be refunded regardless of whether the priority of the lien for the payment of the
19 refunding System Bonds on the Net Revenues is changed (except as provided in Sections
20 24.04 and in subsections (b) and (c) of this Article).

21 (b) Limitations Upon Issuance of Refunding Parity Bonds. No refunding bonds
22 or other refunding obligations shall be issued as Parity Bonds unless:

23 (i) there is delivered a certificate of the Authorized Officer of the City
24 showing that the combined Debt Service Requirements on all Outstanding Parity
25 Bonds for any Fiscal Year after the issuance of refunding Parity Bonds will not

1 exceed the combined Debt Service Requirements for such Fiscal Year on all
2 Outstanding Parity Bonds authorized prior to the issuance of such refunding Parity
3 Bonds by more than ten percent (10%) in any such Fiscal Year, and the City is in
4 current compliance with the Rate Covenant, or

5 (ii) The refunding Parity Bonds are issued in compliance with Section
6 24.02.

7 (c) Limitations Upon Issuance of Any Refunding System Bonds. Any refunding
8 System Bonds shall be issued with such details as the Council may provide by appropriate
9 proceedings but without impairment of any contractual obligation imposed upon the City by
10 any proceedings authorizing the issuance of any unrefunded portion of the series of System
11 Bonds or other obligations payable from Net Revenues to which the refunding was
12 applicable.

13 ARTICLE XXVI

14 PROTECTIVE COVENANTS

15 Section 26.01. *Use of System Bond Proceeds.* The City covenants and agrees that it will
16 promptly apply the proceeds of each series of System Bonds to the Project for which they were issued
17 or for the refunding of Outstanding System Bonds, as applicable, and for the other purposes permitted
18 by this Master Ordinance or applicable Supplemental Ordinance.

19 Section 26.02. *Payment of System Bonds.* The City covenants and agrees that it will
20 promptly pay the Debt Service Requirements on System Bonds at the place, on the dates and in the
21 manner specified in this Master Ordinance, the applicable Supplemental Ordinance, Related
22 Documents and the System Bonds.

23 Section 26.03. *Rate Covenant.*

24 (a) The City covenants that it will at all times fix rates and collect charges for
25 each class of service rendered by the System, and to, from time to time, amend or adjust such

1 rates so that Gross Revenues of the System shall always be sufficient to provide for the
2 payment of expenses of administration, Operation and Maintenance Expenses, other expenses
3 which may be necessary to preserve the System in good repair and working order, including
4 the necessary reserves therefor and all other payments necessary to meet ongoing legal
5 obligations to be paid at that time; and

6 (b) The City further covenants that it will at all times fix, charge and collect such
7 rates and charges as shall be required in order that in each Fiscal Year the Net Revenues shall
8 at least equal 125% of the Debt Service Requirements on the Series 2016 Bonds and any
9 additional Parity Bonds Outstanding in such Fiscal Year.

10 (c) Failure by the City to comply with the foregoing Rate Covenant in any Fiscal
11 Year will not constitute an event of default under this Master Ordinance so long as the City,
12 within 180 days after the end of any such Fiscal Year, adopts the schedule of rates and
13 charges recommended or approved by a Consulting Engineer which would bring the City into
14 compliance with the Rate Covenant. The City is also required under this Master Ordinance in
15 each Fiscal Year to complete a review of its financial condition for the purpose of estimating
16 whether the Net Revenues for such Fiscal Year and for the next succeeding Fiscal Year will
17 be sufficient to comply with the Rate Covenant set forth above. If the City determines that
18 the Net Revenues may not be so sufficient, it shall forthwith cause the Consulting Engineer to
19 make a study for the purpose of recommending a schedule of fees, rates and charges for the
20 System which, in the opinion of the Consulting Engineer, will cause sufficient Gross
21 Revenues to be collected in such Fiscal Year to comply with the Rate Covenant set forth
22 above and will cause additional Gross Revenues to be collected in such Fiscal Year sufficient
23 to eliminate the amount of any deficiency at the earliest practicable time within such Fiscal
24 Year. The City shall as promptly as practicable adopt and place in effect the schedule of fees,
25 rates and charges recommended or approved by the Consulting Engineer pursuant to this

1 Master Ordinance. In the alternative of establishing fees, rates and charges necessary to meet
2 the Rate Covenant set forth above, the City may implement reductions in Operation and
3 Maintenance Expenses for the System in an amount sufficient to meet the Rate Covenant.

4 Section 26.04. ***Lien on Lands Serviced by System.*** State law grants the City a lien upon
5 each lot or parcel of land for the charges imposed for water and sanitary sewer services supplied by
6 the System to the owner of such lot or parcel (except as otherwise provided in Section 3-23-6
7 NMSA). The City will cause each lien to be perfected in accordance with the provisions of Sections
8 3-23-6 and 3-36-1 through 3-36-5 NMSA. The City will take all necessary steps to enforce the lien
9 against any parcel of property the owner of which is delinquent for more than six months in the
10 payment of charges imposed for the use of the System.

11 Section 26.05. ***Levy of Charges.*** The City will promptly fix, establish and levy the rates and
12 charges which are required by Section 26.03. Unless contrary to any provision of applicable law, any
13 resolution or ordinance adopted by the Council to fix, establish and levy such rates and charges shall
14 be deemed an administrative or executive matter not subject to the referendum provisions of the
15 Charter or State law. No reduction in any initial or existing rate schedule for the System may be
16 made unless:

17 (a) the City has fully complied with the requirements of the Rate Covenant
18 contained in Section 26.03 for any 12 consecutive months out of the 16 calendar months
19 immediately preceding the reduction of the rate schedule, and

20 (b) the audit required by Section 26.09 or a separate certificate by an
21 Independent Accountant for or relating to any 12 consecutive months out of the 16 calendar
22 months immediately preceding any reduction discloses that the Net Revenues resulting from
23 the proposed reduced rate schedule would have been sufficient to meet the Rate Covenant
24 contained in Section 26.03 during the applicable 12-month period.

25 Section 26.06. ***Efficient Operation.*** The City will maintain the System in efficient operating

1 condition and make such improvements, extensions, enlargements, repairs and betterments to the
2 System as may be necessary or advisable for its economical and efficient operation at all times and to
3 supply reasonable public and private demands for System services within the Service Area.

4 Section 26.07. **Records.** So long as System Bonds remain Outstanding, proper books of
5 record and account will be kept by the City, separate from all other records and accounts, showing
6 complete and correct entries of all transactions relating to the System. However, pursuant to Section
7 6-14-10(E) NMSA, records with regard to the ownership or pledge of System Bonds are not subject
8 to inspection or copying.

9 Section 26.08. **Right to Inspect.** Owners, or their duly authorized agents, shall have the right
10 to inspect at all reasonable times all records, accounts and data relating to the System.

11 Section 26.09. **Audits.** Within 180 days following the close of each Fiscal Year, the City
12 will cause an audit of the books and accounts of the System to be made by an Independent
13 Accountant. Each audit of the System shall include those matters determined to be proper by the
14 Independent Accountant.

15 Section 26.10. **Billing Procedure.** Bills for water or water facilities furnished by or through
16 the System shall be rendered to customers on a regular basis each month following the month in
17 which the service was rendered and shall be due as required by the applicable ordinance of the City.
18 If permitted by law, if a bill is not paid within the period of time required by such ordinance, water
19 service shall be discontinued as required by such ordinance, and the rates and charges due shall be
20 collected in a lawful manner, including, but not limited to, the cost of disconnection and reconnection.

21 Section 26.11. **Charges and Liens Upon System.** The City will pay when due from Gross
22 Revenues or other legally available funds all taxes and assessments or other municipal or
23 governmental charges, lawfully levied or assessed upon the System and will observe and comply with
24 all valid requirements of any municipal or governmental authority relating to the System. The City
25 will not create or permit any lien or charge upon the System or the Net Revenues except as permitted

1 by this Master Ordinance, or it will make adequate provisions to satisfy and discharge within 60 days
2 after the same accrue, all lawful claims and demands for labor, materials, supplies or other objects,
3 which, if unpaid, might by law become a lien upon the System or the Net Revenues. However, the
4 City shall not be required to pay or cause to be discharged, or make provision for any tax, assessment,
5 lien or charge before the time when payment becomes due or so long as the validity thereof is
6 contested in good faith by appropriate legal proceedings and there is no adverse effect on Owners.

7 Section 26.12. **Insurance.** Subject, in each case, to the condition that insurance is obtainable
8 at reasonable rates and upon reasonable terms and conditions, in its operation of the System, the City
9 will procure and maintain or cause to be procured and maintained commercial insurance or provide
10 Qualified Self Insurance with respect to the facilities constituting the System and public liability
11 insurance in the form of commercial insurance or Qualified Self Insurance and, in each case, in such
12 amounts and against such risks as are, in the judgment of the Council, prudent and reasonable taking
13 into account, but not being controlled by, the amounts and types of insurance or self-insured programs
14 provided by municipalities which operate water systems. "Qualified Self Insurance" means insurance
15 maintained through a program of self insurance or insurance maintained with a fund, company or
16 association in which the City may have a material interest and of which the City may have control,
17 either singly or with others. Each plan of Qualified Self Insurance shall be established in accordance
18 with law, shall provide that reserves be established or insurance acquired in amounts adequate to
19 provide coverage which the City determines to be reasonable to protect against risks assumed under
20 the Qualified Self Insurance plan, including any potential retained liability in the event of the
21 termination of such plan of Qualified Self Insurance. In the event of property loss or damage to the
22 System, insurance proceeds shall be used first for the purpose of restoring or replacing the property
23 lost or damaged and thereafter, any remainder may be used to redeem System Bonds or be treated as
24 Gross Revenues and used in the manner provided in Article XVIII.

25 Section 26.13. **Competing System.** Unless contrary to any provision of, or required by,

1 applicable law, as long as System Bonds are outstanding, the City will not grant any franchise or
2 license to a competing water utility system, or permit any person, association, firm or corporation to
3 sell water utility services or facilities to any consumer, public or private, within the Service Area of
4 the System; provided, however, that nothing shall prevent the City from annexing land into its
5 boundaries solely due to the fact that there is a competing utility system or person, association, firm
6 or corporation providing such utility services or facilities within or for the land to be annexed.

7 Section 26.14. *Alienating System.* While the System Bonds are Outstanding, the City shall
8 not, except as permitted below, transfer, sell or otherwise dispose of the System. For purposes of this
9 Section, any transfer of an asset over which the City retains or regains substantial control shall not,
10 for so long as the City has such control, be deemed a disposition of the System.

11 The City may transfer, sell or otherwise dispose of the System only if such transfer, sale or
12 disposition complies with one or more of the following provisions:

13 (a) The property being disposed of is inadequate, obsolete or worn out; or

14 (b) The property proposed to be disposed of and all other property of the System
15 disposed of during the 12-month period ending on the day of such transfer (but excluding
16 property disposed of under (a) above), will not, in the aggregate, constitute a Significant
17 Portion of the System determined as described below and the proceeds are deposited into the
18 Income Fund to be used as described below; or

19 (c) The City receives fair market value for the property, the proceeds are
20 deposited into the Income Fund to be used as described below and, prior to the disposition of
21 such property, there is delivered to the Fiscal Agent a certificate of a Consultant to the effect
22 that notwithstanding such disposition, but taking into account the use of such proceeds in
23 accordance with the expectations of the City as evidenced by a certificate of an Authorized
24 Officer, the Consultant estimates that the City will be in compliance with the Rate Covenant
25 during each of the five Fiscal Years immediately following such disposition.

1 For purposes of this Section, the term "Significant Portion" of the System means property of
2 the System which, if such property had been disposed of by the City at the beginning of the Fiscal
3 Year which includes the month of commencement of the 12-month period referred to in (b) above
4 would have resulted in a reduction in Net Revenues for such Fiscal Year of more than 4% when the
5 actual Net Revenues for such Fiscal Year are decreased by the revenues directly attributable to such
6 property of the System and increased by the expenses of the City directly attributable to such property
7 of the System.

8 Proceeds of the disposition of assets under (b) or (c) above shall be deposited into the Income
9 Fund and used, within a reasonable period of time, not to exceed three years, to (i) provide additional
10 revenue-producing properties to the System, (ii) redeem System Bonds or (iii) create an escrow fund
11 pledged to pay specified System Bonds and thereby cause such System Bonds to be deemed to be
12 paid as provided in Article XXXI.

13 Properties of the System which were financed with the proceeds of obligations the interest on
14 which is then excluded from gross income for federal income tax purposes shall not be disposed of,
15 except under the terms of provision (a) above, unless the City has first received a written opinion of
16 Bond Counsel to the effect that such disposition will not cause the interest on such obligations to
17 become includable in gross income for federal income tax purposes.

18 No such disposition shall be permitted which would cause the City to be in default of any
19 other covenant contained in this Master Ordinance.

20 Section 26.15. ***Extending Interest Payments.*** To prevent any accumulation of claims for
21 interest after maturity, except as permitted by this Master Ordinance, Supplemental Ordinance or
22 Related Documents, the City will not directly or indirectly extend or assent to the extension of the
23 time for the payment of any claim for interest on System Bonds. If the time for payment of interest is
24 extended contrary to the provisions of this Section, the installments of interest extended shall not be
25 entitled, in case of an event of default under this Master Ordinance, Supplemental Ordinance or

1 Related Documents, to the benefit or security of this Master Ordinance, Supplemental Ordinance or
2 Related Documents until the prior payment in full of the principal of, Accreted Value and interest on
3 all other System Bonds then outstanding.

4 Section 26.16. **Competent Management.** The City shall employ experienced and competent
5 personnel to manage the System.

6 Section 26.17. **Performing Duties.** The City will faithfully and punctually perform all duties
7 with respect to the System required by State and City laws, including, but not limited to, making and
8 collecting reasonable and sufficient rates and charges for services rendered or furnished by the
9 System as required by this Section and the proper segregation and application of the Gross Revenues.

10 Section 26.18. **Other Liens.** Other than as stated in or provided by this Master Ordinance or
11 applicable disclosure document for a series of System Bonds, there are no liens or encumbrances of
12 any nature whatsoever, on or against the System, the Gross Revenues or the Net Revenues.

13 Section 26.19. **City's Existence.** The City will maintain its corporate identity and existence
14 as long as System Bonds remain outstanding unless another political subdivision by operation of law
15 succeeds to the liabilities and rights of the City, without adversely affecting to any substantial degree
16 the privileges and rights of any Owner. However, the City may, annex or de-annex land if the City
17 complies with other applicable covenants contained in this Master Ordinance.

18 Section 26.20. **Tax Compliance.**

19 (a) With respect to System Bonds to be issued as tax-exempt bonds under
20 Sections 103 and 141 of the Code, the City will restrict the use and investment of the
21 proceeds of the System Bonds and any funds reasonably expected to be used to pay the
22 System Bonds to the extent necessary so that the System Bonds will not constitute arbitrage
23 bonds under Section 148 of the Code. Authorized Officers having responsibility for issuing
24 System Bonds will give appropriate certificates of the City for inclusion in transcripts of
25 proceedings for System Bonds setting forth the reasonable expectations of the City regarding

1 the amount and use of all the proceeds of the System Bonds, the facts, circumstances and
2 estimates on which they are based, and other facts and circumstances relevant to the tax
3 treatment of interest on System Bonds.

4 (b) With respect to System Bonds to be issued as tax-exempt bonds under
5 Sections 103 and 141 of the Code, the City (i) will take or cause to be taken such actions that
6 may be required of it for the interest on the System Bonds to be and remain excluded from
7 gross income for federal income tax purposes, and (ii) will not take or permit to be taken any
8 action that would adversely affect such exclusion, and the City will, among other acts of
9 compliance to the extent necessary to assure the exclusion of interest on System Bonds under
10 the Code, (A) apply, or cause to be applied, the proceeds of the System Bonds to the
11 governmental purpose of the borrowing, (B) restrict the yield as necessary on investment
12 property defined in Section 148(b)(2) of the Code acquired with gross proceeds of the System
13 Bonds, (C) make timely rebate payments to the federal government in accordance with
14 Section 148(f) of the Code, the Rebate Regulations (as defined in Article XXVII) and this
15 Master Ordinance, (D) maintain proper books and records and make, or have made,
16 calculations and reports, and (E) refrain from certain uses of System Bond proceeds.
17 Authorized officers are authorized and directed to take action, make or have made
18 calculations and rebate payments, and make or give covenants, representations, reports and
19 certifications as may be required or appropriate to assure the exclusion of interest on the
20 System Bonds from gross income for federal income tax purposes.

21 (c) The City covenants that it will not make or cause to be made any investment
22 or deposit described or permitted in this Master Ordinance at other than the value permitted
23 for any such investment or deposit under Sections 1.148-0 through 1.148-11 and 1.150-1 and
24 1.150-2 of the Regulations or any successor provision applicable to the System Bonds.

25 (d) The provisions of this Section 26.20 shall not apply to the System Bonds, or

1 any series of System Bonds, if at any time and to the extent that the City receives an opinion
2 of Bond Counsel that the failure to comply will not adversely affect the exclusion from gross
3 income of interest on the System Bonds for federal income tax purposes under Section 103(a)
4 of the Code.

5 (e) The City may issue System Bonds that are not tax-exempt bonds under the
6 Code.

7 Section 26.21. ***Free Services Prohibited.*** No free service, facilities nor commodities shall be
8 furnished by the System. Should the City use water services or facilities supplied by the System for
9 municipal purposes, or any combination thereof, or in any other manner use the System, or any part
10 thereof, any use of the System by or of the services rendered thereby to the City, or any department,
11 board or agency thereof, will be paid for from the City's general fund or other available revenues at
12 the reasonable value of the use so made, or service so rendered, which shall in no event be less than
13 the rates charged to a System customer with similar consumption; and all the revenue so derived from
14 the City shall be deemed to be income derived from the operation of the System, to be used and
15 accounted for in the same manner as any other income derived from the operation of the System.

16 ARTICLE XXVII

17 REBATE FUND

18 The Rebate Fund has been established for the deposit of certain amounts that may be required
19 to be paid to the United States in compliance with Section 148(f) of the Code and Sections 1.148-0
20 through 1.148-11 and 1.150-1 and 1.150-2 of the Regulations issued thereunder or any successor
21 provision applicable to any series of the System Bonds (the "Rebate Regulations"). Notwithstanding
22 any other provision in this Master Ordinance, amounts credited to the Rebate Fund shall be free and
23 clear of any lien under this Master Ordinance and shall be held only for the purposes stated in this
24 Article.

25 Concurrently with the issuance and delivery of any series of System Bonds which are tax-

1 exempt bonds under Sections 103 and 141 of the Code, the City will execute certain certificates and
2 agreements (collectively, the "Tax Certificate"), which will set forth the undertakings of the City to
3 achieve compliance with Section 148(f) of the Code. All relevant definitions regarding such
4 compliance will be contained in the Rebate Regulations or the Tax Certificate.

5 Within 25 days of the end of each Bond Year of each applicable series of System Bonds or at
6 such other times provided in the Tax Certificate, the City shall (a) calculate or cause to be calculated
7 the amount that would be considered "rebatale arbitrage" within the meaning of Section 1.148-3 of
8 the Rebate Regulations and the Tax Certificate, using as the "computation dates" for this purpose the
9 dates set forth in the Tax Certificate, and (b) deposit or cause to be deposited into the applicable
10 account of the Rebate Fund for each series of System Bonds, from Gross Revenues or any other
11 money of the City lawfully available for such purpose, an amount that, together with amounts already
12 held in that account of the Rebate Fund, will cause the amount held in that account immediately after
13 such deposit to be equal to the rebatale arbitrage calculated for that series of System Bonds. If the
14 amount held in that account of the Rebate Fund is in excess of the rebatale arbitrage calculated as of
15 the end of such Bond Year for that series of System Bonds, the City shall withdraw or cause to be
16 withdrawn such excess from that account and such excess shall be considered as Gross Revenues.

17 The City shall make payments to the United States in such manner, at such times and in such
18 amounts as prescribed by the Rebate Regulations and the Tax Certificate. The City shall keep such
19 records of the computations made pursuant to this Article as are required under Section 148(f) of the
20 Code and the Rebate Regulations and the Tax Certificate.

21 The City need not make further payments to the Rebate Fund with respect to all or a portion
22 of an issue to the extent it satisfies one of the exemptions from rebate set forth in the Rebate
23 Regulations or the Tax Certificate. Any amounts then on deposit in the Rebate Fund may be
24 withdrawn and used as Gross Revenues.

ARTICLE XXVIII

CONTINUING DISCLOSURE UNDERTAKING

In connection with issuance of System Bonds pursuant to this Master Ordinance or a Supplemental Ordinance, the City will enter into written undertakings for the benefit of the holders of System Bonds (including beneficial owners) as required under Securities and Exchange Commission Rule 15c2-12, as amended, in order to assist Purchasers of System Bonds in complying with Rule 15c2-12(b)(5). When such undertakings are executed and delivered on behalf of the City as herein provided, the undertakings will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the undertakings as executed. Notwithstanding any other provision of this Master Ordinance, the sole remedies for failure to comply with the undertakings shall be the ability of the beneficial owner of any System Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the undertakings.

ARTICLE XXIX

EVENTS OF DEFAULT

Each of the following events is declared an "event of default" under this Master Ordinance:

- (a) Failure to pay the principal or Accreted Value of any Parity Bonds when due and payable, whether at maturity, by mandatory sinking fund redemption or otherwise.
- (b) Failure to pay any installment of interest on Parity Bonds when due and payable.
- (c) Failure to pay the purchase price of any Parity Bonds when such purchase price shall be due and payable upon an optional or mandatory tender date as provided in the Parity Bond.
- (d) For any reason, the City becomes incapable of fulfilling its obligations under

1 this Master Ordinance.

2 (e) Default by the City in the due and punctual performance of its covenants,
3 conditions, agreements and provisions contained in System Bonds or in this Master
4 Ordinance and the continuance of such default (other than a default set forth in subsections
5 (a) and (b)) for thirty days after written notice specifying such default and requiring the same
6 to be remedied has been given to the City by the Owners of at least 25% in principal amount
7 and Accreted Value of the System Bonds then Outstanding.

8 (f) The City files or is otherwise placed into bankruptcy pursuant to Chapter 9 of
9 the United States Bankruptcy Code, or any successor chapter or provision.

10 (g) The occurrence of any other event of default as is provided in a Supplemental
11 Ordinance.

12 ARTICLE XXX

13 REMEDIES UPON DEFAULT

14 Section 30.01. **Remedies.** Upon the happening and continuance of any of the events of
15 default stated in Article XXIX:

16 (a) the applicable Fiscal Agent shall proceed with any available remedies under
17 any Credit Facility; and

18 (b) the Owners of not less than 66% in principal amount and Accreted Value of
19 the System Bonds then Outstanding, including but not limited to a trustee or trustees therefor,
20 may proceed against the City, the Council and its agents, officers and employees to:

21 (i) protect and enforce the rights of the Owners by mandamus or other
22 suit, action or special proceedings in equity or at law, in any court of competent
23 jurisdiction, either for the appointment of a receiver or for the specific performance
24 of any covenant or agreement contained in this Master Ordinance or any Related
25 Document or for the enforcement of any proper legal or equitable remedy as those

1 Owners may deem necessary or desirable to protect and enforce their rights;

2 (ii) to enjoin any act or thing which may be unlawful or in violation of
3 any right of any Owner;

4 (iii) to require the Council to act as if it were the trustee of an express
5 trust; or

6 (iv) any combination of those remedies.

7 All proceedings shall be instituted and maintained for the equal benefit of all Owners of
8 System Bonds then outstanding, subject to the provisions of Section 30.03 of this Master Ordinance,
9 with respect to the application of Gross Revenues. The failure of any Owner to exercise any right
10 granted by this Article shall not relieve the City of any obligation to perform any duty. Each right or
11 privilege of any owner (or trustee or receiver therefor) is in addition and cumulative to any other right
12 or privilege and the exercise of any right or privilege by or on behalf of any Owner shall not be
13 deemed a waiver of any other right or privilege of any Owner.

14 Acceleration of System Bonds shall never be a remedy upon the happening and continuance
15 of an event of default.

16 Section 30.02. *Accounting and Examination of Records after Default.* The City covenants
17 that if an event of default shall have happened and shall not have been remedied, the books of record
18 and accounts of the City and all other records of the City relating to the System shall at all times be
19 subject to the inspection and use of the Owners of the System Bonds, any receiver appointed pursuant
20 to Section 30.04 and their respective agents and attorneys. The City covenants that if an event of
21 default shall have happened and shall not have been remedied, the City, upon demand of the Owners
22 of at last 25% in principal amount and Accreted Value of System Bonds then Outstanding, will
23 account, as if it were the trustee of an express trust, for all Gross Revenues and other money,
24 securities and funds pledged or held under this Master Ordinance for such period as shall be stated in
25 such demand.

1 Section 30.03. *Application of Revenues and Other Money After Default.* During the
2 continuance of an event of default, the Net Revenues and such money, securities and funds and the
3 income therefrom shall be applied as follows and in the following order of priority, provided that
4 moneys and amounts held or available in each of the Debt Service Accounts and each of the Reserve
5 Accounts shall be used solely for the payment of the Debt Service Requirements then due on the
6 series of System Bonds corresponding to such accounts in accordance with subsection (c) of this
7 Section.

8 (a) to the payment of the reasonable and proper charges and expenses of any
9 receiver appointed pursuant to Section 30.04 and the reasonable fees and disbursements of its
10 counsel and agents;

11 (b) to the payment of the Operation and Maintenance Expenses;

12 (c) to the payment of the Debt Service Requirements then due on the Series 2016
13 Bonds and any additional Parity Bonds as follows:

14 FIRST: to the payment to the persons entitled thereto of all installments of interest when due
15 on the Series 2016 Bonds and any additional Parity Bonds in the order of the maturity of such
16 installments, and, if the amount available shall not be sufficient to pay in full any installment
17 or installments maturing on the same date, then to the payment thereof ratably, according to
18 the amounts due thereon, to the persons entitled thereto, without any discrimination or
19 preference; and

20 SECOND: to the payment to the persons entitled thereto of the unpaid principal, Accreted
21 Value or redemption price of any of the Series 2016 Bonds and any additional Parity Bonds
22 which shall have become due, whether at maturity or by call for redemption, in the order of
23 their due dates, and, if the amount available shall not be sufficient to pay in full all the Series
24 2016 Bonds and any additional Parity Bonds due on any date, then to the payment thereof
25 ratably, according to the amounts of principal, Accreted Value or redemption price due on

1 such date, to the persons entitled thereto, without any discrimination or preference; and

2 (d) to the payment of the Debt Service Requirements then due on any
3 Subordinated Bonds then outstanding in such order of priority as shall be designated in the
4 Supplemental Ordinance authorizing the issuance of such Subordinated Bonds.

5 Section 30.04. ***Appointment of Receiver.*** Upon the occurrence of an event of default, and
6 upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the
7 Owners of the System Bonds, the Owners of at least 25% in principal amount and Accreted Value of
8 System Bonds then Outstanding, shall be entitled, as a matter of right, to the appointment of a
9 receiver or receivers to protect the rights of Owners and, if desirable, to enter and take possession of
10 and operate and maintain the System and to prescribe rates, fees or charges and collect, receive and
11 apply all Gross Revenues as required by this Master Ordinance, with such additional powers as a
12 court making such appointment may confer.

13 Section 30.05. ***Non-Waiver.*** Nothing in this Article or in any other provision of this Master
14 Ordinance or in the System Bonds shall affect or impair the obligation of the City, which is absolute
15 and unconditional, to pay the principal, Accreted Value and redemption price of and interest on the
16 System Bonds to the respective Owners of the System Bonds at the respective dates of maturity, or
17 upon call for redemption, as herein provided, out of the Net Revenues, funds, accounts and other
18 money, securities and funds herein pledged for such payment, or affect or impair the right of action,
19 which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by
20 virtue of the contract embodied in the System Bonds. No delay or omission of any Owner of the
21 System Bonds to exercise any right or power arising upon the happening of any event of default shall
22 impair any such right or power or shall be construed to be a waiver of any such event of default or an
23 acquiescence therein, and every power and remedy given by this Article to the Owners of System
24 Bonds may be exercised from time to time and as often as shall be deemed expedient by the Owners
25 of the System Bonds.

Section 30.06. ***Limitation on Remedies.*** Notwithstanding any other provision in this Master Ordinance, no recourse shall be had for the payment of any System Bonds or obligation arising from any Related Document or for any claim based on any other obligation, consent or agreement contained in this Master Ordinance or any Related Document against any past, present or future officer, employee or agent of the city or member of the City Council, and all such liability of any such officers, employees, agents or member (as such) is released as a condition of and consideration for the adoption of this Master Ordinance, the execution of Related Documents and the issuance of System Bonds.

ARTICLE XXXI

DUTIES UPON DEFAULT

Upon the happening of any of the events of default listed in Article XXIX, the City will do and perform all proper acts on behalf of and for the Owners necessary to protect and preserve the security created for the payment of the System Bonds and for the payment of the Debt Service Requirements on the System Bonds promptly as the same become due. As long as any of the System Bonds are Outstanding, all Gross Revenues shall be distributed and used for the purposes and with the priorities set forth in Article XVIII. If the City fails or refuses to proceed as provided in this Article, the Owners of not less than 66% in principal amount and Accreted Value of the System Bonds then Outstanding, after demand in writing, may proceed to protect and enforce the rights of the Owners as provided in this Master Ordinance.

ARTICLE XXXII

DEFEASANCE

Section 32.01. ***Defeasance of System Bonds.*** When all principal, Accreted Value, interest and prior redemption premiums, if any, in connection with all or any part of the System Bonds included within a series of System Bonds have been paid or provided for, the pledge and lien and all obligations under this Master Ordinance with respect to those System Bonds shall be discharged and

1 those System Bonds shall no longer be deemed to be outstanding within the meaning of this Master
2 Ordinance.

3 Without limiting the preceding paragraph, there shall be deemed to be such payment when:

4 (a) the Council has caused to be placed in escrow and in trust with an escrow agent located within or
5 without the State and exercising trust powers, an amount sufficient (including the known minimum
6 yield from Defeasance Obligations in which such amount may be initially invested) to pay all
7 requirements of principal, Accreted Value, interest and prior redemption premium, if any, on the
8 System Bonds to be defeased as the same become due to their final maturities or upon designated
9 prior redemption dates, and (b) any System Bonds to be redeemed prior to maturity shall have been
10 duly called for redemption or irrevocable instructions to call such System Bonds for redemption have
11 been given to the Registrar or other appropriate Fiscal Agent. The escrow agent shall have received
12 evidence satisfactory to it that the cash and Defeasance Obligations delivered will be sufficient to
13 provide for the payment of the System Bonds to be defeased as stated above. Neither the Defeasance
14 Obligations nor money deposited with the escrow agent shall be withdrawn or used for any purpose
15 other than as provided in the escrow agreement and the Defeasance Obligations and money shall be
16 segregated and held in trust for the payment of the principal or Accreted Value and premium, if any,
17 and interest on the System Bonds with respect to which such deposit has been made. The Defeasance
18 Obligations shall become due prior to the respective times at which the proceeds are needed in
19 accordance with a schedule established and agreed upon between the Council and the escrow agent at
20 the time of the creation of the escrow, or the Defeasance Obligations shall be subject to redemption
21 but only at the option of the holders or owners thereof to assure the availability of the proceeds as
22 needed to meet the schedule.

23 Until reimbursement is made by the City to the applicable Bond Insurer, if the principal,
24 Accreted Value and/or interest due on Insured Bonds is paid by a Bond Insurer pursuant to a Bond
25 Insurance Policy, the applicable Insured Bonds shall remain outstanding, shall not be defeased or

1 otherwise satisfied and shall not be considered to be paid by the City. In such case the assignment
2 and pledge of the Net Revenues for the payment of the Insured Bonds paid by the Bond Insurer and
3 all covenants, agreements and other obligations of the City to the Owners of those Insured Bonds
4 shall continue to exist and shall run to the benefit of that Bond Insurer, and that Bond Insurer shall be
5 subrogated to the rights of the owners of those Insured Bonds, until all obligations of the City to that
6 Bond Insurer have been paid.

7 If any System Bonds are deemed to be paid and discharged pursuant to this Section, within 15
8 days after the date of defeasance, the City shall cause written notice to be given to each Owner of
9 System Bonds deemed paid and discharged at the address shown on the bond register for the
10 applicable series of System Bonds on the date on which those System Bonds are deemed paid and
11 discharged. The notice shall state the numbers of the System Bonds deemed paid and discharged (if
12 less than all System Bonds of such series are deemed paid and discharged), describe the Defeasance
13 Obligations and specify any date or dates on which the System Bonds defeased are to be called for
14 redemption pursuant to notice of redemption given or irrevocable provisions made for that notice
15 pursuant to this Section.

16 **ARTICLE XXXIII**

17 **SYSTEM BONDS NOT PRESENTED WHEN DUE**

18 If any System Bonds are not duly presented for payment when due at maturity or on any prior
19 redemption date, and if money sufficient for the payment of those System Bonds is on deposit with
20 the Paying Agent for those System Bonds, and, in the case of System Bonds to be redeemed, if notice
21 of redemption has been given as provided in this Master Ordinance, Supplemental Ordinance or
22 Related Documents, all liability of the City to the Owners of those System Bonds shall be discharged,
23 those System Bonds shall no longer be Outstanding and it shall be the duty of that Paying Agent to
24 segregate and to hold such money in trust, without liability for interest thereon, for the benefit of the
25 Owners of those System Bonds.

ARTICLE XXXIV

DELEGATED POWERS

The officers, attorneys and employees of the City are authorized and directed to take all action from time to time which is necessary or appropriate to effectuate the provisions of this Master Ordinance, any Supplemental Ordinance, System Bonds and any Related Document including, without limitation, the delivery of a "deemed final" certificate relating to the disclosure document for each series of System Bonds, the publication of a summary of this Master Ordinance substantially in the form set out in Article XX, the distribution of material related to System Bonds, the printing of System Bonds and the execution of Related Documents and certificates pertaining to the System, System Bonds, the delivery of and security for System Bonds, as may be reasonably required by the Purchaser, any Fiscal Agent, Bank or Insurer and the execution of such other certificates and documents necessary to preserve that the interest paid on the System Bonds is excluded from gross income for federal income tax purposes. The officers, attorneys and employees of the City are authorized and directed to take all action from time to time which is desirable or necessary for the City with respect to arbitrage rebate requirements under Section 148(f) of the Code.

ARTICLE XXXV

AMENDMENT OF MASTER ORDINANCE OR SUPPLEMENTAL ORDINANCE

Section 35.01. ***Limitations upon Amendments.*** This Master Ordinance and any Supplemental Ordinance may be amended by ordinance of the Council without the consent of Owners:

- (a) To cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision contained in this Master Ordinance or Supplemental Ordinance;
- (b) To grant to the Owners any additional rights, remedies, powers or authority that may lawfully be granted to them;
- (c) To obtain or maintain a rating on a series of System Bonds from any rating

1 agency which amendment, in the judgment of Bond Counsel, does not materially adversely
2 affect the Owners of that series of System Bonds;

3 (d) To achieve compliance with federal securities or tax laws;

4 (e) To make any other changes in this Master Ordinance or Supplemental
5 Ordinance which, in the opinion of Bond Counsel, is not materially adverse to the Owners;
6 and

7 (f) To make any changes required by the Bond Insurer or the rating agencies.

8 Section 35.02. ***Additional Amendments.*** Except as provided above, this Master Ordinance
9 and any Supplemental Ordinance may only be amended or supplemented by ordinance adopted by the
10 Council in accordance with the laws of the State, without receipt by the City of any additional
11 consideration, but with the written consent of the Owners of a majority of the principal amount and
12 Accreted Value of each series of System Bonds then outstanding which are affected by the
13 amendment or supplement (not including System Bonds which are then owned by or for the account
14 of the City, but including refunding System Bonds which are not owned by the City) and of any Bank
15 or Insurer providing a Credit Facility which is in effect and which pertains to a series of System
16 Bonds affected by the amendment or supplement if the Bank or Insurer is not in default in its
17 obligations under the Credit Facility; provided, however, that no such ordinances, without the written
18 consent of all such Owners or entities affected by the proposed amendment or supplement, shall have
19 the effect of permitting:

20 (a) An extension of the maturity of any System Bond;

21 (b) A reduction in the principal amount of, premium, if any, Accreted Value,
22 purchase price or interest rate on any System Bond;

23 (c) The creation of a lien on or a pledge of Net Revenues ranking prior to the
24 lien or pledge of Parity Bonds on Net Revenues; or

25 (d) A reduction of the principal amount and Accreted Value of System Bonds

1 required for consent to such amendment or supplement.

2 Section 35.03. *Proof of Instruments.* The fact and date of the execution of any instrument
3 under the provisions of this Article may be proved by the certificate of any officer in any jurisdiction
4 who by the laws of the jurisdiction is authorized to take acknowledgments of deeds within that
5 jurisdiction that the person signing the instrument acknowledged before him the execution of that
6 instrument, or may be proved by an affidavit of a witness to the execution sworn to before such
7 officer.

8 Section 35.04. *Proof of System Bonds.* The principal amount and Accreted Value and
9 numbers of System Bonds owned by any person executing such instrument and the date of holding
10 that instrument may be proved by a certificate executed by a bank or trust company showing that on
11 the date mentioned that person had on deposit with the bank or trust company the System Bonds
12 described in the certificate.

13 **ARTICLE XXXVI**

14 **MASTER ORDINANCE IRREPEALABLE**

15 After any of the System Bonds are issued, this Master Ordinance shall be and remain
16 irrepealable until the Debt Service Requirements on all System Bonds are fully paid, canceled and
17 discharged, as provided in this Master Ordinance, or there has been defeasance of all System Bonds
18 as provided in this Master Ordinance.

19 **ARTICLE XXXVII**

20 **SEVERABILITY CLAUSE**

21 If any section, paragraph, clause or provision of this Master Ordinance shall for any reason be
22 held to be invalid or unenforceable, the invalidity or unenforceability of that section, paragraph,
23 clause or provision shall not affect any of the remaining provisions of this Master Ordinance.

ARTICLE XXXVIII

REPEALER CLAUSE

All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent with this Master Ordinance are repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, previously repealed.

ARTICLE XXXIX

DEFEASANCE AND PRIOR REDEMPTION FOR THE REFUNDED BONDS

The City has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to defease and redeem the Refunded Bonds maturing on and after June 1, 2019, at a redemption price equal to 100.00% of the principal amount of the Refunded Bonds to be redeemed, plus accrued interest to the redemption date, pursuant to the terms of the Escrow Agreement.

ARTICLE XXXX

EFFECTIVE DATE AND

GENERAL SUMMARY FOR PUBLICATION

Upon due adoption of this Master Ordinance, it shall be recorded and preserved by the City Clerk, authenticated by the signature of the Mayor and City Clerk, and the seal of the City impressed hereon, and the title and general summary of the subject matter contained in this Master Ordinance (set out below) shall be published in a newspaper which maintains an office and is of general circulation in the City and this Master Ordinance shall be in full force and effect thereafter as provided by the City Charter and the laws of the State.

Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in the Ordinance shall be published in substantially the following form:

(Form of Summary of Ordinance for Publication)

City of Santa Fe, New Mexico

Notice of Adoption of Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in Ordinance No. 2016-__, duly adopted and approved by the Council of the City of Santa Fe, New Mexico, on May 11, 2016. Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the City Clerk, City of Santa Fe, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

The title of the Ordinance is:

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO WATER UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2016 IN AN AGGREGATE PRINCIPAL AMOUNT OF [\$75,000,000] FOR THE PURPOSE OF DEFRAYING THE COST OF REFUNDING, PAYING, DEFEASING, DISCHARGING, AND/OR RESTRUCTURING CERTAIN OUTSTANDING WATER UTILITY SYSTEM/CAPITAL OUTLAY GROSS RECEIPTS TAX OBLIGATIONS OF THE CITY; PROVIDING THAT THE BONDS WILL BE PAYABLE AND COLLECTIBLE FROM THE NET REVENUES OF THE CITY'S WATER UTILITY SYSTEM; ESTABLISHING THE FORM, TERMS, MANNER OF EXECUTION AND OTHER DETAILS OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND ESCROW AGREEMENT; APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE BONDS AND THE OUTSTANDING REFUNDED OR RESTRUCTURED WATER UTILITY SYSTEM/CAPITAL OUTLAY GROSS

**RECEIPTS TAX OBLIGATIONS; RATIFYING ACTION PREVIOUSLY
TAKEN IN CONNECTION WITH THE BONDS; AMENDING AND
RESTATING ORDINANCE NO. 2006-47; REPEALING ALL ORDINANCES
IN CONFLICT HEREWITH; AND RELATED MATTERS.**

The title sets forth a general summary of the subject matter contained in the Ordinance. A complete copy of the Ordinance is on file in the office of the City Clerk at the City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico, and are available for inspection and/or purchase during regular office hours. This notice also constitutes compliance with Section 6-14-6, NMSA 1978.

(End of Summary of Ordinance for Publication)

APPROVED AS TO FORM:

KELLEY A. BRENNAN, CITY ATTORNEY

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. ____**

3 **INTRODUCED BY:**

4
5 Mayor Javier M. Gonzales

6 Councilor Joseph Maestas

7 Councilor Peter Ives

8
9
10 **A RESOLUTION**

11 **AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION**
12 **FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO**
13 **FINANCE AUTHORITY TO (1) REFUND AND DEFEASE THE CITY OF SANTA FE, NEW**
14 **MEXICO'S OUTSTANDING WATER UTILITY SYSTEM/CAPITAL OUTLAY GROSS**
15 **RECEIPTS TAX REVENUE BONDS, SERIES 2009A (TAX-EXEMPT) AND SERIES 2009B**
16 **(TAXABLE DIRECT-PAYMENT BUILD AMERICA BONDS) AND (2) AMEND AND**
17 **RESTRUCTURE THE CITY'S OUTSTANDING 2008 DRINKING WATER STATE**
18 **REVOLVING FUND LOAN AGREEMENT #1475-DW AND 2013 DRINKING WATER**
19 **STATE REVOLVING FUND LOAN AGREEMENT #2696-DW.**

20
21 **WHEREAS**, the City of Santa Fe, New Mexico ("Governmental Unit") is a qualified entity
22 under the New Mexico Finance Authority Act, Sections 6-21-1 through 6-21-31, NMSA 1978
23 ("Act"), and the Santa Fe Governing Body is authorized to borrow funds and/or issue bonds for
24 financing of public projects or for refinancing of outstanding bonds for benefit of the Governmental
25 Unit; and

Exhibit "9"

1 **WHEREAS**, the New Mexico Finance Authority ("Finance Authority") has instituted a
2 program for financing of projects from the public project revolving fund created under the Act and
3 has developed an application procedure whereby the Governing Body may submit an application
4 ("Application") for financial assistance from the Finance Authority for public projects; and

5 **WHEREAS**, the Governing Body has undertaken a plan to (1) refund, refinance and defease
6 its outstanding Water Utility System/Capital Outlay Gross Receipts Tax Revenue Bonds, Series
7 2009A (Tax-Exempt) and Series 2009B (Taxable Direct-Payment Build America Bonds) and (2)
8 amend and restructure the Governmental Unit's 2008 Drinking Water State Revolving Fund Loan
9 Agreement #1475-DW and 2013 Drinking Water State Revolving Fund Loan Agreement #2696-DW
10 to remove the pledge of the City's Capital Outlay Gross Receipts Tax Revenues (collectively,
11 "Project") for the benefit of the Governmental Unit; and

12 **WHEREAS**, the application prescribed by the Finance Authority has been completed and
13 submitted to the Governing Body and this resolution ratifying and approving submission of the
14 completed Application to the Authority for its consideration and review is required as part of the
15 Application.

16 **NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
17 **CITY OF SANTA FE, NEW MEXICO:**

18 Section 1. All action (not consistent with the provision hereof) heretofore taken by the
19 Governing Body and the officers and employees thereof directed toward the Application and the
20 Project, be and the same is hereby ratified, approved and confirmed.

21 Section 2. The completed Application submitted to the Governing Body, be and the
22 same is hereby ratified, approved and confirmed.

23 Section 3. Authorized Officers and employees of the Governmental Unit are hereby
24 directed and requested to submit the completed Application to the Finance Authority for its review,
25 and are further authorized to take such other action as may be requested by the Finance Authority in

1 its consideration and review of the Application and to further proceed with arrangements for
2 financing and undertaking the Project.

3 Section 4. All acts and resolutions in conflict with this resolution are hereby rescinded,
4 annulled and repealed.

5 Section 5. This resolution shall take effect immediately upon its adoption.

6 PASSED APPROVED AND ADOPTED this ____ day of _____, 2016.

7
8 By _____

9 JAVIER M. GONZALES, MAYOR

10 ATTEST:

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12 _____
13 YOLANDA Y. VIGIL, CITY CLERK

14 APPROVED AS TO FORM:

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17 KELLEY A. BRENNAN, CITY ATTORNEY

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25 *M/Legislation/Resolutions 2016/NMFA Water Bond Application*

CITY OF SANTA FE NEW MEXICO

RESOLUTION NO. 2016-__

INTRODUCED BY:

Mayor Javier M. Gonzales

Councilor Peter Ives

A RESOLUTION

**AMENDING THE SANTA FE FILM COMMISSION TO PROVIDE FOR ALTERNATE
MEMBERS OF THE COMMISSION.**

WHEREAS, on January 16, 2006 the Governing Body approved Resolution No. 2016-7
establishing the Santa Fe Film Commission; and

WHEREAS, the goal of the Commission is to enhance the reputation of Santa Fe as a
filmmaking destination, increase post-production and digital business, diversify the industry base,
foster a year-round sustainable industry, facilitate increased production spending at local businesses,
and evaluate areas for investment; and

WHEREAS, New Mexico is a competitive destination for filmmakers, producers and actors
looking for opportunities in film; and

WHEREAS, Moviemaker Magazine has named Santa Fe as one of its top five towns for film
and production in the United States; and

WHEREAS, film productions provide much needed jobs and Gross Receipts Tax revenue for
the community; and

1 **WHEREAS**, the current film commission has 15 members appointed by the Mayor and
2 approved by the Governing Body; and

3 **WHEREAS**, there is a desire to appoint alternate members of the Commission to serve
4 should regular members of the Commission not be able to attend a regularly scheduled meeting of the
5 Commission; and

6 **WHEREAS**, such alternates would be asked to stay abreast of all business before the
7 Commission so they can provide an educated view and expertise when called upon to serve as a
8 voting member of the Commission.

9 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
10 **CITY OF SANTA FE** that the Membership of the Santa Fe Film Commission is hereby amended to
11 read:

12 **Section 4: MEMBERSHIP; OFFICERS:**

13 A. *Membership.* The Commission is comprised of the following membership
14 appointed by the mayor with the approval of the Governing Body:

- 15 • Four local industry leaders
- 16 • Two film crew representatives
- 17 • Three representatives from educational institutions with programs producing
18 talent in the industry
- 19 • Two representatives from digital media businesses (video game development and
20 production, alternative/virtual reality, post production, etc.)
- 21 • Two representatives from non-profits working in the industry
- 22 • One representative from the County of Santa Fe as chosen by the Santa Fe
23 County Commission
- 24 • Two at-large members
- 25 • Five alternate members to serve in the event one or more of the regular members

are unable to attend a Commission meeting. Alternate members are encouraged to attend all scheduled meetings of the Commission, and are expected to stay up to date on all material relating to the work of the Commission, but shall not vote unless they have been called upon to fill the position of an absent or excused member.

B. *Officers.* The mayor shall select the chairperson from the appointed members.

The chairperson shall designate the vice chairperson.

PASSED, APPROVED, and ADOPTED this _____ day of _____, 2016.

JAVIER M. GONZALES, MAYOR

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

KELLEY BRENNAN, CITY ATTORNEY

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. 2016-__**

3 **INTRODUCED BY:**

4
5 Councilor Signe Lindell

6 Councilor Renee Villarreal

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8
9
10 **A RESOLUTION**

11 **VACATING THE CITY'S OWNERSHIP OF THE HIGH ROAD, AND TURNING OVER**
12 **OWNERSHIP TO THE LOS LOMAS HOMEOWNERS ASSOCIATION.**

13
14 **WHEREAS**, in 1994, the developer of the Los Lomas neighborhood located off of West
15 Alameda dedicated the High Road to the City of Santa Fe, a length of roadway that runs through
16 the middle of properties associated with the Los Lomas Homeowners Association; and

17 **WHEREAS**, since that time, a lack of regular maintenance has left the road in immediate
18 need of repaving; and

19 **WHEREAS**, the LLHOA wishes to reacquire the right-of-way for the High Road from the
20 city of Santa Fe in order to ensure regular maintenance of the roadway; and

21 **WHEREAS**, the city is willing to return the right-of-way of the High Road to the
22 LLHOA, provided it is understood that the land is restricted to use only as a road, and for no
23 other purpose.

24 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
25 **CITY OF SANTA FE** that the High Road, a stretch of roadway encompassing 78,320 square

Exhibit "11"

1 feet and +/-1800 linear feet servicing 37 lots within the Los Lomas Homeowners Association is
2 hereby vacated by the city of Santa Fe and returned to the ownership of the Los Lomas
3 Homeowners Association.

4 PASSED, APPROVED AND ADOPTED this _____ day of _____, 2016.

6 _____
7 JAVIER M. GONZALES, MAYOR

8 ATTEST:

9 _____
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11 YOLANDA Y. VIGIL, CITY CLERK

12 APPROVED AS TO FORM:

13 _____
14
15 KELLEY A. BRENNAN, CITY ATTORNEY

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25 *M/Legislation/Resolutions 2016/Vacating the High Road*

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. 2016-__**

3 **INTRODUCED BY:**

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5 **Councilor Christopher M. Rivera**

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10 **A RESOLUTION**

11 **SUPPORTING THE PARTY ON THE PITCH SOCCER TOURNAMENT TO BE HELD**
12 **AT THE SANTA FE DOWNS MAY 21-22, 2016.**

13
14 **WHEREAS**, soccer is the fastest growing sport in the United States; and

15 **WHEREAS**, over 14 million Americans play soccer, making it the third most popular
16 team sport in the United States; and

17 **WHEREAS**, Major League Soccer (MLS) has grown from 10 teams in 1996 to 20 today,
18 with plans for several other expansion teams, demonstrating the increased draw of professional
19 soccer; and

20 **WHEREAS**, Santa Fe is no different when it comes to the popularity of soccer, with
21 several area high schools winning state championships in recent years; and

22 **WHEREAS**, Santa Fe is home to four different soccer organizations – Santa Fe Adult
23 Soccer League, Rio Rapids Northern Soccer Club, La Liga, and the Santa Fe chapter of the
24 American Youth Soccer Organization – all of whom consistently draw players and spectators of
25 all ages to their events; and

Exhibit "12"

1 **WHEREAS**, the Santa Fe Adult Soccer League, in coordination with Rio Rapids
2 Northern and La Liga, is planning a Party on the Pitch soccer tournament to be held May 21-22 at
3 the Santa Fe Downs; and

4 **WHEREAS**, the Party on the Pitch tournament will feature youth 3 v. 3, coed 8 v. 8,
5 men's open 11 v. 11, and men's over-35 11 v. 11 tournaments; and

6 **WHEREAS**, the Party on the Pitch will be advertised so as to attract teams from around
7 New Mexico as well as neighboring states who wish to participate in a tournament with high-
8 level competition; and

9 **WHEREAS**, the tournament will include music, food trucks and a beer garden and a
10 lively atmosphere that all family members will enjoy; and

11 **WHEREAS**, tournament organizers have teamed up with local restaurants and hotel to
12 offer discounts on food and drink, as well as reduced hotel rates for tournament participants; and

13 **WHEREAS**, it is the desire of the Santa Fe soccer community to make the Party on the
14 Pitch soccer tournament an annual event that will draw additional teams from out of state as the
15 areas soccer facilities continue to increase in number and quality; and

16 **WHEREAS**, the tournament will showcase the draw of such sporting events to Santa Fe
17 that would benefit tremendously from a renovated and expanded Santa Fe Soccer Complex to be
18 housed at the Municipal Recreation Complex.

19 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
20 **CITY OF SANTA FE** that the City of Santa Fe hereby expresses its support for the Party on the
21 Pitch soccer tournament to be held May 21-22 and the Santa Fe Downs.

22 **PASSED, APPROVED AND ADOPTED** this ____ day of _____, 2016.

23
24 _____
25 **JAVIER M. GONZALES, MAYOR**

1 ATTEST:

2

3

4 _____
YOLANDA Y. VIGIL, CITY CLERK

5 APPROVED AS TO FORM:

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8 _____
KELLEY A. BRENNAN, CITY ATTORNEY

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25 *M/Legislation/Resolutions 2016/Party on the Pitch Support*